The Pit Crew Challenge

Winning Customers Through Teaming

Bob Parker

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Preface

Since my youth I have been fascinated by the process of people working together toward a common goal. When I was in high school I was in the Junior Achievement Company Program. In this program fifteen to twenty high-school students collaborate on starting their own small business. As a group they raise capital and develop, produce, market, and sell the product – eventually evaluating whether they've made any money.

Everything I learned about business, I learned in Junior Achievement. As a consultant I have yet to encounter anything since that didn't come up, one way or the other, all those years ago. Despite the technological advances and sophisticated business processes of companies today, the questions are the same: How do you get people motivated to really get behind the product or service they're selling? How do you get their commitment? How do you develop the leadership and teamwork skills that will make a business successful?

I continued with Junior Achievement as a volunteer and then some years later began to work for the organization. At that time I was most fascinated by leadership – taking a goal and moving people to achieve it. When I went to university, I knew I wanted to work in business, but I wasn't interested in a business degree. I wasn't interested in understanding the dynamics of business from the MBA perspective. I was interested in understanding it from the people perspective. So I studied a fair amount of psychology. My degree was actually in philosophy, which taught me critical-thinking skills.

Next I worked for consulting companies involved in training and development, which is where I really learned about leadership. I also began to understand the flip side of leadership, which is teamwork, and I realized that without teamwork, leadership falls flat. Moreover, leadership models were changing, becoming clear on the fact that good leaders also had to know how to be good team members. The days of the autocratic boss were numbered as the knowledge economy gained ground. Companies were finding themselves with employees who themselves had considerable expertise and leadership potential. These employees were not content to follow along with policies and procedures just because "that's the way it's always been done." That trend continued and today's new knowledge-based employee or entrepreneur wants to know why things are done in a certain way. They want to find new ways of doing things. They want to have a say in the outcome.

And so I began to shift my thinking from leadership to teamwork. One day I was talking with a client about the challenge of getting people to work together. It popped into my mind that I needed a concrete, experiential way to teach teamwork. A way that would show people the attitudes and assumptions they make about teams and that would get them thinking differently about teaming. Something that would appeal to them. Something that would take them into an environment they had not experienced before so they would be outside their comfort zone.

As I was brainstorming with this client, the idea of the Pit Crew Challenge was born. I don't really know why the image of race cars jumped into my head that day, because I certainly didn't have any background in racing. It was just one of those serendipitous moments when you suddenly realize, "Hey, this could work." So I sought out a professional race-car team and devised a way to make the experience of working together in a pit crew real for people. That was around 2001 and it has been my focus ever since.

As I began doing the Pit Crew Challenge with groups from many different industries and sectors, I saw that it was an enjoyable and intriguing way for people to experience themselves as team members. It was a way to make the learning easy for them but also very real. I'm always gratified to read in participants' evaluations such comments as, "I learned so much today, stuff I've never thought of in quite that way before, and it was also a lot of fun!"

So now, in order to help you, whether you're a senior leader, team manager, or team member, I've put between these covers the insights that the PCC participants and I have learned, together.

Acknowledgments

I could certainly fill a book with the names of people who have had an influence on the Pit Crew Challenge and in the creation of this book. However, without going that far, I would like to acknowledge those who are top of mind.

I promised Grant Harvey that he would be the first in my acknowledgments, and I meant it. Grant was my first Pit Crew Challenge client. His trust and support were unwavering, and his friendship is a cornerstone of my career.

Duke Corporate Education was instrumental in helping to make this a world-class program. Their guidance and support has made the Pit Crew Challenge what it is today. I owe gratitude to Jane Kasper, Liz Mellon, Judy Rosenblum, Blair Sheppard, Jennifer Gale, Cheryl Stokes, Nedra Bradsher, and everyone I've worked with at Duke CE. A special acknowledgment to Deb Stout, who was a great support and has since been called to a higher duty.

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Introduction

On a bright sunny afternoon, a motley group of men and women are standing around dressed in jeans, old shirts, and safety glasses, surrounded by a car jack, lug nuts, air guns, and tires. They're making comments like, "I've never done this before" or "What does this have to do with our jobs?" or "Oh well, I guess it will be fun – it's better than being at work this afternoon."

Their conversations are soon brought to an end by a deafening roar. With a mixture of awe, amusement, anxiety, and anticipation on their faces, they turn to watch the race car that's pulling up beside them. The driver leans out. He is impatient to have his tires changed right now.

The first team in the group springs into action. They have to get those tires changed, quickly and safely. They noisily jack up the car, remove the lug nuts, take off the tires, put the new tires on, fasten the lug nuts, lower the car, and raise the flag, sending the car off.

This scenario is the closest thing to being in a real pit on pit row. The race car is a real race car. The driver is a professional race-car driver. The equipment is real.

But the group members, most decidedly, are not members of a real pit crew. The "crews" are made up of business executives, managers, middle managers, and administrative types from organizations big and small. Some of them have never even changed a tire. Many are unfamiliar with power tools. Most don't know anything about car racing, other than what they've picked up by watching NASCAR on TV.

Welcome to the Pit Crew Challenge

This is my development-training program, the Pit Crew Challenge. These people have been sent to me in the hopes that they will experience a breakthrough in their understanding of teams and their work as team members. And the program does indeed teach the value of teamwork. More to the point, it makes participants aware of all the barriers and assumptions that stand in the way of achieving positive results on their teams and in their organization as a whole. The experience throws into sharp relief their preconceptions and misconceptions regarding what makes a business successful.

In many organizations today, much is said about how essential solid teamwork is, and for good reason. Business environments have become far too complex to be handled only by "specialists," each in their own department. Today, more than ever, we are seeing the need for people within workplaces to develop the skills of forming strategic alliances, of being able to work across their own departments with other departments, knowing that it's not the expertise of this or that individual that's crucial but the collective expertise of people from various perspectives who possess a variety of skills.

Yet, teamwork often runs aground on unspoken assumptions. It flounders because of misconceptions. It runs smack up against ingrained human behaviors that we learn growing up watching television and sports. It doesn't achieve its goals because people are often trying to do things according to old ideas or structures, trying to fit today's realities into yesterday's boxes.

How the PCC works

In the PCC the teams are introduced to the race-car driver, the car, the pit, and the tools, receiving some initial instruction on how to use those tools. Then they change the race car's tires in three different runs, with discussion sessions between each run. Each time they improve at the task, and at teaming.

Meeting customer demands will determine how successful they are at winning "the pit crew contract," which is symbolic of a team having successfully achieved its goals. Each time they change the tires, they have a clearer insight into teamwork and themselves.

Since they have zero experience, the teams make errors – and make assumptions about what they're doing or not doing right. I work with them, between runs, to examine those assumptions. As a result, participants end up with a holistic, and more realistic, view of what teaming is and what kind of attitudes and influences have to prevail in a workplace environment to make teaming work well.

During the PCC experience, participants have many "aha" moments, often met with wry smiles of recognition. They begin to see a different way to approach their problems on teams.

In the challenges I deal with, I'm going to share with you some of those key insights that emerge for Pit Crew participants, insights that will help you work with others, and help you win customers.

Challenge #1

Getting past competition to teamwork

I tell my participants in the Pit Crew Challenge that the activity they are about to go through involves dividing them up into teams and that this is not a competition between the teams. This almost always gets a big laugh. Inevitably someone bursts out with, "Oh come on. Everything's a competition. Who are you trying to fool? I mean, here we are on a racetrack and we're playing the role of a pit crew, so yeah, this is a competition." They have barely recorded the objectives of the program, yet they've already decided that they're going to be competing against each other – and that at the end of the day one of the teams will have won by achieving the shortest time in changing the tires.

They also have no concept of what they're going to get if they do beat the other teams, other than strokes for their egos. It's important to note this, because one of the biggest and most frequent roadblocks to keeping organizations moving forward is letting people's egos get in the way. We'll talk about this in detail later in the book.

The comment that "everything's a competition" is usually met with nods of agreement from fellow participants. Some even look at me as if I'm the most out-of-touch business educator they've ever worked with.

I can understand this reaction because there is a seeming contradiction in what I do. I challenge the conventionally held assumption that business environments have to be ruthlessly competitive in every way. I tell my clients that competition is healthy in many respects, but that it is not the be-all and end-all of effective business practice, particularly when it shows up as a company's internal way of doing things. I tell them that business is not a sport. Yet here I am, using a sports-related model in my learning program.

Allow me to explain myself.

Sport is all about competing and winning just for the simple sake of winning. Football players want to win. Hockey players want to win. Golfers want to win. They want to win "the game." It feeds ego.

But is this type of winning really what business is about? In business a lot of people will say, "There's competition within our organization, and it's healthy competition." I always disagree. What's healthy about it? Have they considered what they lose in the process?

Making everything within a business a competition in the way that everything in sports is a competition takes the analogy of sport too far. When we do this we start to lose some of the best things we have to offer as businesses and organizations. When it comes to offering services to our clients and profits to our shareholders, it's not just about winning at all costs. It's not about winning everything. It's about having a strategy that says, "Who is our customer? What do they want? This is where we want to go, and this is what we want to provide for our customers." That's different from being involved in a sport.

True, it could be argued that sports teams and athletes want to win to please the fans. However, unless your particular company is in the entertainment business or managing a real sports team, pleasing a customer goes a lot farther than garnering fans. Fans by their nature are fickle, as any losing sports team can tell you. Truly satisfied customers, on the other hand, tend to be loyal to the product or service they value.

The point is that internally a business is not a sport.

Virtually every business is going to involve some kind of teamwork. People have to work with – not compete against – other people. They have to share objectives and goals and depend on each other to achieve them. Even a solopreneur still has to collaborate with suppliers and professional colleagues. So we can say that almost every business involves some kind of teamwork, even if it is informal or not officially defined as a team.

The pit crew is a great analogy (and experience) for getting people into an environment where they do start competing with each other. The program puts them into a sports mindset, and inevitably they take the analogy to the nth degree. The PCC can therefore show them how their behaviors can become a problem when taken too far: when competitiveness blocks them from learning from others, from seeking coaching, from giving coaching. It's great when people go through this experience and recognize how some of their competitive behaviors are not always valuable to business and how they create the pitfalls that many businesses fall into.

I don't think business is a spectator sport either. People on business teams need to fully engage in the business and understand why they're there and what it is they do. I see too many people who are just waiting for someone to tell them what to do. They're not engaged on a daily basis. They don't understand, at the ground level of the organization, why they're there. And sometimes they don't appear to care.

Win what?

I also think that the "why" is often not fully understood by those at the top of the organization. They just think that if they go out there and beat the competition, they'll end up winning at the end of the day. In fact when I ask participants or people I'm coaching, "What is your number-one goal in your company?" the response I almost always get is, "Winning." When I ask what they're trying to win, the response I almost get is slack-jawed silence.

"Win what?" is the question that should be hung above the door of any company, department, or office where those inside are competing to win the prize but don't know what the prize is.

In your company or business, what are you trying to win? Is it just beating the other guy? I hope not. I think what you should be trying to win is the customer. If you win the customer, then yes, you inherently beat the other guy – whoever or whatever else can meet that customer's need. But you have to keep the customers. You have to do what it takes to give them value so they will keep coming back to you.

Many people in business say they want to deliver the product faster than other companies, develop a more luxurious product or a more cost-effective product, or get the most advertising air time on radio, or have the most awards for company excellence. But all these have to do with "win how" not "win what." All these are how you beat the other guy, but it's the customer you're winning. The customer is your what. Getting stuck on the "how" is what causes businesses to become internally competitive and ultimately complacent.

If groups within your company or organization are at odds with each other, your workplace will not be cohesive, and its values and goals will become skewed. And even if your organization has an internally cooperative environment, if it is fixated on "win how" it still loses the focus on "win what." This means your organization will ultimately fail in the external competition between businesses. And more to the point, it will disappoint the customer.

Most of the executives I have encountered in Fortune 500 companies are extremely competitive. Many of them have played sports at the high-school, college, or university levels. That behavior has allowed them to function in an organization because they've received rewards either financially or through recognition and promotions. That's great, but only to a point. The struggle of organizations today is trying to get their people to work together and utilize the strengths within their organization. Many executives and others in management positions do not take coaching well because they are so driven to just work harder in order to win at all costs. It follows that they're not going to coach their reports well either.

So whenever there is competition, it begs the question for me: "Win what?"

From competition to collaboration

One of the most important challenges of business is to get these highly competitive people to collaborate. Collaboration can still have a competitive element, but we need to reframe what that competitiveness is. What should we be competing for? What are we trying to win? Companies need to focus all their competitive energies on the strategic goal of winning their customers as opposed to other underlying goals that are not helping the organization: dysfunctional goals that are causing inefficiencies, wasting money, duplicating processes, or reinventing the wheel.

There is no doubt that continuous-improvement initiatives within an organization help increase profit. This is a core underlying motive for business. Profit is the reason for being in business. However, no customer = no profit. It's that simple.

The rationale for continuous improvement may simply be to improve the bottom line, but it is also very customer focused. Better margins and higher profits allow for more innovation, product development, and customer satisfaction. Lower profits and inefficiencies tend to squeeze services, and that leads to customer dissatisfaction. These are careful balances played out in boardrooms and executive offices everywhere. The point here is that the customer's needs and wants drive all these functions, whether it's developing an organization that's lean and mean or providing front-line products and services.

When you look at a real NASCAR pit crew, you see how they measure themselves by hundredths of a second. Small improvements can therefore mean the difference between winning and losing the race. This reality is crucial for the business perspective. We're no longer talking about huge gains in business these days. Even the external competitive model for businesses has changed. What makes the difference in attracting and keeping customers now is not the huge improvement but the small improvements. We need the hundredths of seconds that make the difference between winning the customer and not winning the customer. This means we have to do things differently.

When you ask many companies today what they want to win, they say "win everything." But what's everything? There is no everything. At the end of the day, there is only the customer. The reality is that companies stay in business and thrive in business based on their ability to satisfy customers. It doesn't matter if you're a bank, an automotive giant, a retail chain, a high-tech industry, a mom-and-pop corner store, or an entrepreneur working alone, you won't win anything if you can't attract and keep customers.

I've been called in to help organizations with teamwork basically because the organizations are somewhat aware that internal competition within the company – seen in the silos the organizations constantly have to deal with – is making the company dysfunctional. The silos created by competition and lack of cooperation within companies are causing those companies to lose customers, or at the very least to slip up on the standards by which they're serving customers. In the long run this will have a negative effect on where the competition really is: their external competitors. The Pit Crew Challenge helps them recognize those silos. It helps them see where they're not communicating and where they're not collaborating within their own organization.

Many companies realize that they're siloed. They know that one department often doesn't know what another department is doing, that procedures are often duplicated, that some things don't get done at all because of the attitude, "That's not my department." But they don't know how to get out of the problem. They also recognize that this attitude has become their corporate culture.

The only way out of this is through values: getting people to understand the core values of the organization and to see how those values can drive what they do on a daily basis. If those values have been undermined in the past or not clearly understood, companies will lose out in so many ways, particularly with regard to this essential goal of winning customers.

How can we think differently about competition?

Groups going through the Pit Crew Challenge do tend to start off competing with each other. However, during the course of the day, the crews find themselves discarding a critical, selfish, competitive mindset as they learn, first, how to rely on each other within their teams, and second, how to coach each other across teams – that is, how to collaborate – so that everyone wins, including the customer. After all, how can a pit crew work well together if the person with the jack thinks they are the best on the team? The crew soon finds out that it doesn't matter how brilliant the jack person may be, the tires don't go on unless the people changing them get that job done as well. And they soon discover that because things happen so fast, there's no time for each to strut their individual stuff. This is a meaningful aspect of teaming: interdependencies. Teaming is not a group of individuals doing their own job. It's a group of relationships in tasks and personalities. The interdependencies, not the individuals, define a team.

Rewards and metrics are a chief contributing factor to a competitive culture. It is amazing what happens when the rewards and metrics change and become clear of assumptions. Attitudes change, from "Let's not make the same mistakes as those guys" to "What did you see that could help us get better?" and even "Would you like some tips on how that could maybe be better?" The teams even start cheering each other on. They've slipped into a cross-coaching mode and see themselves as all working toward one goal.

As the teams are drawn into their unquestioned behaviors of competing, they soon discover what it is about the competition model that doesn't work within organizations. The silos they create are inefficient and lead to customer dissatisfaction. Ultimately they see that they need less of a hierarchical team and more of a flat, efficient team.

External collaboration

Typically the teams also begin to see that by learning to be internally collaborative, they can also become externally collaborative. They can become businesses collaborating with other businesses. Even though external competition between companies seems inevitable in our economy, companies are discovering that there is also a place for external collaboration. External competitors may even get to the point where they happily collaborate, and realize that, paradoxically, this will make each business more competitive in the marketplace. We've heard about strategic alliances, and these do happen. But there's a new buzzword making its way into the business world: the concept of "enlightened alliances." These are businesses collaborating to win customers through real teamwork and not just convenience or "hold your nose and strategically cooperate."

Businesses are finding their way to model where they want to collaborate and where collaboration is becoming the best way to answer the "win what" question.

In the competitive model, if I want more pie, the natural tendency is to say, "You've got pie, I've got pie, I want more, I need to take some of yours." What I see people starting to say is, "Hey, you've got pie, I've got pie, why don't we work together and figure out how we can make a bigger pie? Then, when we split it, we'll each have even more pie." That's an enlightened-alliance mentality.

There are markets where it's absolutely crucial to have competition on the basis of collaboration. For example, in the banking sector, we need competition so there will not be a monopoly. But we also want to see some collaboration among them as well. Think of what would happen if you walked into a bank and asked to transfer money to a different bank and the bank employee said, "Oh no, you can't transfer money to that other bank. You can only transfer money to the banks within our own chain." Obviously, banks have to have collaborative processes in place to allow financial transfers between the different bank chains. Otherwise, it would be economic chaos. Products such as MasterCard and Visa are perfect examples of how competing financial institutions can collaborate to provide better service to customers.

In the airline industry, we see Star Alliance, we see KLM collaborating with Northwest – alliances in which companies become marketing partners to deliver better service to customers overall throughout the industry. These are aspects of collaboration within an element of competition that allow us to provide more value to customers and save on costs. If you minimize costs, you can provide better value to customers in a highly competitive marketplace and you get more return for shareholders. If you increase the number of customers, you have more opportunity to do more with more people.

One of the primary business trends in the twenty-first century is the "flattening" of the global marketplace. In his book *The World Is Flat,* Thomas Friedman talks a great deal about globalization, off-shoring of jobs, and so forth. Labor's contention against this trend is that work is going to places where there is cheaper labor. But convenient labor, not cheaper labor, is more likely the aim. If part of your workforce is in India, the time-zone difference means you can have people working while you're sleeping, and vice versa. That's an advantage to you and your customer.

In this flattening world, the hierarchical structure of a lot of businesses is disappearing because it doesn't always work well. A hierarchy entangled in endless policies and procedures and siloed between departments cannot collaborate or compete well in a flat-model business world. This shift can be scary if you choose it to be scary. It can be exciting if you choose it to be exciting.

Whatever your response, flattening is happening. If we understand only how to compete, how to take orders and deliver goods, because that's what we were told to do, we're not going to be aware of the amazing new opportunities for collaboration around us.

To me there is only one answer to the question "win what?" and that answer is the customer or client. If you're going to win customers and clients, you will have to work well together internally. That means you have to give more than lip service to teams and actually embrace the experience of being a flat team, challenging all the assumptions that come up along the way.

There is no hierarchy in a pit crew. Those hundredths of seconds will not be shaved off unless each and every person on the team does the job – together.

Challenge #2

Perceiving – and working from – the right context

Everything you do in life has a context. Context is the basis by which you arrive at the perception of what you're doing and why. Context feeds how you think about things. Some call it a mindset or paradigm.

Context has huge implications for the previous challenge we discussed, internal competitiveness, because competitiveness seems to be the number-one context that teams bring to their day-to-day business world. In that first challenge, we talked about the assumption of competition. In this challenge, we see how that assumption is usually embedded in our context.

Whether in the Pit Crew Challenge or on teams in general, people carry their existing context into the way they think things are supposed to operate. That context, based on their own experiences and concepts, forms the basis of their thinking and behavior. The challenge of context, however, is that the assumptions from which they have formed their context are not always correct.

If you're working on a team and your assumptions are not in line with everyone else's assumptions, then you're going to be out on a limb, and your team is not going to perform at a level that will help everyone accomplish together what needs to be accomplished.

In the Pit Crew Challenge I ask the groups who so far have only watched another team change the tires what they observed. The answers show a lack of real context. It's just monkey see, monkey do: We saw somebody else do it, it looked like they did it well, so we decided to do it the same way. Or we saw someone else do it, saw their mistakes, criticized them, and then reacted by deciding how we were going to do it better. That's fine, but if the "do it better" is based only on fixing someone else's mistakes that you "observed," you're not going to have a very proactive team process. Either way, all you're doing is reacting to what others are doing. Unfortunately this appears to be the basis of a lot of business strategies.

In the business world, we see a competitor launch a product, so we decide that we should launch a similar product. But we may do this without understanding why the competitor launched the product in the first place. We're just out there launching a similar or tweaked product. A "me too" product.

That's foolhardy. How do we know that we are meeting our customers' demands? If we eventually need to change that product or need to change how we deliver it to customers, but don't know why we created it in the first place, we're going to experience a serious disconnect with our customers. We're going to lose our customers.

Context has a huge impact on everything we do on a team, and it's important that we start out at the beginning of any of our endeavors by understanding the team's context.

Having the right context

Most people extol teamwork in their organizations but at the same time see themselves as competing with other teams within their own organization. But competitiveness without the right context is a prescription for falling into endless planning and bickering, into creating strategies that will probably lead nowhere.

Context also shows up in ideas about how things should be done and why.

Awhile ago I was working with several in-house groups from a financial institution, using the PCC. These people were so competitive that they actually started their first tire-changing exercise saying they wanted to beat a NASCAR pit crew's time. They would never in a million years get to NASCAR's time right off the bat or even after a day of practice, but they certainly wanted to try. This was the driving force for them. They wanted to be the best at everything right out of the gate.

Having the right context is key even during what might seem like the simplest of executions. In order for teams to execute effectively in the PCC, their processes need to be as efficient as possible. Choosing to perform a task one way might add time to your result, even when you think it doesn't matter.

Teams are often confused as to which side of the car to start on when changing the tires for the first time. Since they are changing all four tires, one side must be completed before moving on to the other. This is something that we don't tell them specifically; they must figure this out for themselves, or at least ask the right questions. Do they start on the driver side (the left) or the opposite side (the right)?

When people are missing a piece of information to help them make a decision, ambiguity creeps in. People often fill this ambiguity with their own context, whether it's right or wrong, to help them cope with the situation. This is where not having the right context can cause problems in execution. When we are unsure, we need to consult the experts who have the right context, but this does not always happen.

A few years ago we were working with a client in Charlotte, North Carolina. This is the heart of race country, where people believe they know car racing and in most cases really do. Their knowledge of the sport helps to build their context but can also be a pitfall.

The first team of this particular organization started their run and immediately went to the right side of the car. Interestingly, when their turn came, the second team started on the left side of the car. I wanted to explore this further. I asked Bill, a representative from the first team, "Which side of the car did you start on?"

"We started on the right side," Bill said.

"Why?"

"Well, that's what they do in NASCAR."

In order to delve further into his context assumptions, I asked him, "Do you know why they start on that side of the car in NASCAR?"

"It doesn't matter," he said. "NASCAR's the best in the world; therefore we started the way they do."

"That's an interesting context you have about a pit crew changing the tires," I said. "Certainly within NASCAR they do start on that side. But if you don't know why NASCAR starts on that side, trying to improve on your time later is going to be a challenge."

I turned to team two. "I'm curious to know, then, why your team started on the left side of the car. What was your rationale?"

"We discussed that," Sara replied. "We figured since we were already on that side of the car when it came into the pit, it would easier for us to start on that side."

"That appears to be a fair rationalization," I said, "but we have found in the Pit Crew Challenge that it's actually faster to start on the right side."

"So we are right, anyway!" Bill chimed in.

"You were right in execution, Bill, but we need to rethink the rationale behind it," I said.

I turned to all of the participants and asked, "Does anybody know why in NASCAR they start on the right side?"

I got amazingly accurate responses, including, “Maybe because they’re putting gas in the left side” and “They probably start on the far side so that they can get out of the way of other cars that are leaving the pit.”

I told them that, as a result of these realities, NASCAR had actually created a rule saying you’re allowed to be on that side of the car, even as the car is a couple of stalls away, moving into the pit. In other words, you can be out there ready to go. The rule allows you to do that.

“But, in this Pit Crew Challenge experience,” I said, “our rule is that you must stay behind the pit wall until the car comes to a stop in the pit. Once the car is stopped, you can then go out and change the tires. We have a different rule concerning changing those tires, because you’re not a real NASCAR pit crew and I’m very aware of safety issues for a group of people who have not done this before. That context has changed the rationale of how we do things as opposed to how a real NASCAR pit crew would do it. We don’t let you go out in advance; you must wait.”

Even though the NASCAR and PCC approaches appear to be the same, there are different reasons behind each execution. If you don’t have the right context for the situation and execution you are delivering, you have the potential to lose efficiency without realizing it. You carry on with your tasks, thinking all along that you are doing just fine out in the marketplace, because you’re doing what everyone else is doing.

Here are our rules.

THE PIT CREW CHALLENGE RULES

The pit area is defined by a series of lines taped to the ground forming an open square. The longest line represents the “pit wall,” which runs parallel to the car when it enters the pit area and remains until its tires are changed. The box has two lines that represent the beginning of the pit and the end of the pit. These lines extend perpendicular to the "pit wall" line at either end of the pit.

Participants must remain behind the "pit wall" line until the car comes to a stop in the pit. Once it has, the team can go out and change the tires. The car must also be within its pit before the team can start. Before the car can leave the pit at the end, all the participants must be behind the "pit wall."

All nuts must be tight on the wheels. Each wheel must be in its correct location, because each tire is marked accordingly. All the equipment must be behind the line before the car can leave the pit. Also, because the car is being jacked up into air, at least one nut must remain tight on each wheel until the car is no longer going to be jacked up any further. At that point the last nut can come off and you can change the tire.

The positions a team will need consist of one jack person, two gunners, two tire carriers, a sign person, and a crew chief.

The rules of NASCAR allow the NASCAR pit crews more latitude, due to their experience and expertise, and the conditions of an actual race. The rules of the PCC simulate, as much as possible, the experience of being in a pit crew, but we've modified them to add some complexity as well as additional safety. People are in the PCC to learn more about teamwork, and have fun without having to worry about being injured.

If you don't have the right context in the first place for understanding your exact situation and why you're doing certain things, you'll never be able to make the changes or improvements that will satisfy your customer.

THE OBJECTIVE OF THE PIT CREW CHALLENGE

Your objective is to change four tires on a race car, under the clock. You will benchmark (or baseline) your time, and improve it.

The problem of ambiguity

I tell the participants the objective of the PCC at least three times at the beginning of the program, yet no one appears to remember it. When I do ask them later, they make up all sorts of answers. What causes the teams to not hear the real objective? What causes them to make assumptions about their objective? A glaring ambiguity in my explanation of the objective. This is something I do quite deliberately. I leave out important information, yet give them enough to feel they can move forward. The objective, as I explain it to them, does not tell the group what the reward is, what they will get if they change those tires correctly and improve their times. At first I don't give specifics about how I will measure "improvement." That ambiguity causes people to start to make assumptions. They fill in the blanks. And, like all of us, they do so by using their most familiar context, the context they know best and that feels most comfortable to them: imitation and competition. What we know in our own world fills in the things we don't know about the outside world, and that's what drives our performance, for either good or bad.

If we're driving our organization from a place of ambiguity, how can we ever be quite sure that we're moving toward the right goal?

Context assumptions are remarkably resistant to change. Marketers know this very well. In marketing programs in colleges, students learn that someone needs to see an advertisement seven times just to believe that the product or service is credible. (I say it is as often as fifteen times.) For people to see an advertisement seven times, it must be run many more times, which is why companies spend such big bucks buying advertising space in magazines and newspapers and on radio, TV, the Web, and billboards. The marketing departments and advertisers are trying to get you to change your context about their product or service.

Likewise, in order to help individuals within an organization change contexts, we need to say things over and over, at least seven times. The reason why groups don't "hear" the objective of the Pit Crew Challenge is that I say it to them only three times. I certainly don't get to seven. This gives me a quick way to illustrate to the teams that they've made assumptions and that they haven't yet absorbed the right context. This tends to come as a surprise to most of the participants because they don't associate their behavior at work with the behavior of consumers.

Some people can change contexts quickly – sometimes after only one presentation. But what needs to go along with that is a clear understanding of what's in it for them – that is, something they definitely want or don't want to have happen. If the reward is made very clear, and has a strong emotional impact, people may change contexts very quickly. An example might be: "Do it this way and you'll get a $10,000 bonus." Or another motivator might be: "If you do it that way again tomorrow, you're fired." There is very little ambiguity in either of those situations.

Most communications within companies, however, tend to have a lot more ambiguity than that, so contexts change very slowly. There are many times when neither the reward nor the consequences are clear. This causes what I call context confusion, which is a prescription for assumptions running on automatic pilot, with no one questioning the context precisely when it should be questioned.

An unambiguous point about ambiguity

Context changes when we fill in the ambiguity. We need to recognize that there may be ambiguity about either the reward or the metrics. Once we've eliminated the ambiguity, a team's behavior will change. Its mutual understanding of context will help move it along, as opposed to what happens when each individual's context is at work: individual members riding off in all directions.

In the PCC, the participants' context is transformed from competition to collaboration when the group finally understands what the common goal is and all ambiguity is removed regarding the metrics and reward. In other words, when they clearly understand as a group what they are attempting to accomplish and what they will get when they do. They also have to want the reward.

The ideal team process

What can we do to develop the right context for teams within an organization? Once a team has formed, before it gets too far into its team process, it should find out what the objective of the project is and clearly define that objective as a group, not just make assumptions about what they think it is. There shouldn't be any ambiguity – nothing is ever implicit! The objective should be measurable, with a quantitative result.

The next thing a team needs to do, before they start moving into the action phase, is to clearly define the values of the organization and the values of the team, and get everyone aligned to them. Once they've determined the values that will drive the objective, they will find a way to achieve the objective far more easily.

In all of my work, I tell teams to take time, at every team meeting, to express the objective and values. The purpose is to reinforce the repetition factor. We keep these at the forefront of all team meetings so that we can continually come back to them. Repetition – remember, seven times – keeps the right context in play.

Note that it's important not to have too many values driving any particular project. Anything more than five begins to open the team to additional complexity and therefore makes it more difficult to manage. I'll have a lot more to say about values in dealing with challenges #4 and #5.

I show groups how it's always helpful within a team meeting to ask people for the context they're coming from. It should be a habit to do so, though not in a cross or challenging way. For example, in the Pit Crew Challenge, if one person declares that they really want to operate the jack, the team needs to know why the person feels that way. Perhaps the person is very experienced in using jacks. Or perhaps they see it as a new challenge they want to take on: an opportunity to grow. By getting everyone's context out on the table, you know where they are coming from and you have the foundation for trust. This means you can avoid internal competitiveness and come up with a win-win experience where everyone will feel valued and acknowledged. Knowing each other's context allows people on teams to negotiate and be creative. It flushes out hidden agendas and sets everyone's sights on the overall task at hand.

Challenge #3

Getting groups to consider people before processes

When teams form they are typically given a task or an objective, something they must accomplish. In the Pit Crew Challenge the objective is to change four tires on a race car, under the clock. They will benchmark their time and try to improve the time as they go through the activity. That being their objective, once they're on teams of six or seven individuals, they actually have to start defining the process of how they will arrive at achieving the objective. In other words, they look at how to actually solve the problem of improving their tire-changing time. They have to discuss who is going to do what job. They have to look at the interdependencies between roles. The person operating the jack has to know how that role has an impact on all the other roles. If the car is not jacked up, the tires can't come off. Participants realize that what one person does affects the whole of what everyone does.

In this way the PCC gives them a concrete example of the reality of the team process. So often teams in business settings are given objectives that are very general, such as "to improve the department's productivity by ten percent." Of course this is going to give rise to all kinds of ideas. As a result, it can be difficult for workplace-related teams to get a concrete focus, especially when there is ambiguity in the objective. The hope is that participants in the PCC, by experiencing this specific, concrete problem-solving process, will transfer this honing-in process to their teamwork in their workplaces.

Problem solving

It's always interesting to watch pit crews in their initial huddle as a team. They spend a lot of time talking about how to get the job done. They make notes of each function, and they start dividing up the jobs according to the instructions they've been given regarding what a pit crew is supposed to do. They jump directly into problem-solving mode

This is a problem …

By starting this way, most groups find themselves focusing on the "hard skills" associated with developing a systematic approach to changing the tires. This is also where many of them end their discussion. The problem is that they are completely neglecting the "soft skills," or the people component, of teams.

Let's look at the stages of team development (adapted from Bruce Tuckman and his book *Stages of Small Group Development Revisited* (1977)).

The premise of Tuckman's work is that once the team is formed, it begins to execute. As the members of the team execute, they go through stages. Some groups never leave a stage, while others skip some of them.

First of all, the group has to form a team and begin to discuss ground rules (values) and objectives. Team members are generally on their best behavior, looking to the leader for guidance.

Then they storm. The leader is challenged as team members begin to show signs of conflict on the team. This is healthy if the conflict is discussed and managed.

Then they norm. The storm has passed and the team is now producing results. They tend to avoid conflict at this point, which could lead to groupthink.

Having passed through all the other stages, groups now see the rewards for their efforts. Agreement on values, objectives, and processes keep them in line.

Often there is yet one more stage: mourning. After a period of time, something may happen to change the team's context. For example, a team member may leave and have to be replaced by someone else. As a result, people may swap functions. Or the project may conclude and the team disbands. This sparks mourning, a period of sadness, feeling down, or even grief as people deal with the fact that there was a loss to the team or that the team's function has come to an end.

If the mourning stage has been triggered by a change such as losing a team member before the project is completed, the team at that point may not perform as well as before. In order for them to perform well again, they have to go back and re-form themselves and their context. They will revert to the forming phase to figure out how the new team makeup will function, how roles will change, how the roles impact the team, and how the new person's personality will affect the team. The hope is that they will then be able to move back into the norming and performing stages.

Many teams, in their eagerness to get down to business and solve the problem or achieve the objective, fly through the forming stage and move right on to norming while avoiding the storming stage. They don't want to deal with conflict. Instead, they'd rather spend their time defining their processes, figuring out who will do what, and then implementing. But what have they passed over? People! You cannot be effective in the performing stage if you haven't gone through the previous stages, which fundamentally are about the people: their values, their understandings, and their perceptions.

Even though it may look like you're performing, you're not actually going to accomplish the objectives you set out for yourselves. Everyone needs to understand not only what the objective is but how each person fits into it.

There are predominantly two main themes in any team:

- Processes: how the team will actually accomplish the work.
- And the people themselves.

It's the people who provide the skills and attributes to actually accomplish the objective. Is it not true that it's the people in your organization who drive processes?

Most of the teams I encounter, no matter what kind of business they're in, focus on processes early on in pit crew and seemingly very little on people. Often I ask a pit crew team, "What's the first thing you did when you got together on your team?" The answer commonly is, "We defined the roles and then we defined strategy."

That's process.

From time to time, a group will say, "We introduced ourselves."

That's people.

A people focus is a great place to start. If you actually take the time to greet the people around you, you're focusing on the individuals who make up your team. This may seem obvious, but it's surprising how many teams form up thinking they know the other people's capabilities. Sometimes teams are made up of members from various departments. Though they work for the same company, they may not have met each other or have only said hello in the hallway. In the PCC it's not unusual to hear comments like, "Bill there looks like he'd be good operating the air gun." Why? Because Bill just happens to look like the type of guy who'd be a handyman? But maybe Bill hasn't had much experience in that department. Maybe he's a guy who always hires mechanics and other skilled workers to fix his car or things around his house.

Even if Bill is well known to the team and everyone knows that he is indeed competent with an air gun, they may not be correct in their assumption that manning the air gun is the role he wants. What if Bill wants to show his handyman prowess by operating the jack? And what if Mary is actually better at operating an air gun than Bill is but she hasn't spoken up yet (and in the face of the assumptions being made isn't likely to)?

In the early stages of team development, an effective team explores the personalities, motivations, and desires of team members. They spend time figuring out who can do what, what kinds of experiences team members have had in the past, and also who wants to do what. If you don't have an understanding of the people on your team before you actually start figuring out processes (the way to get the task done), then you may end up putting people into the wrong job for their abilities, desires, and enthusiasm for the job. If you end up putting them in a function that they don't want, you're not going to have their full emotional buy-in. Skip these stages, or do them poorly, and your team is not going to perform at its highest level. It's imperative that you start with the people before you get into the processes.

In the consulting work I do, some people say to me, "Well, Bob, we need to define what the roles are first before we can figure out and assess the skills and capabilities of the people." I always say, "That's fine. But don't go too far into process before you jump over to your people; then come back and complete your process side based on what you've discovered about the people on your team."

The most important element of the people piece is shared values. Without a discussion about this, your people won't be aligned to your objectives. (More on this in Challenge #4.)

How can we think differently about processes and people?

One of the key aspects of working well on teams is interdependencies. An interdependency is the relationship of your job to somebody else's in your workplace. What you do today is going to have an impact on what somebody else has to do tomorrow. If you're the person who records customers' orders for a certain product, you have to get the order information to the product-fulfillment department. That person has to make arrangements with the shipping department, and so forth. Or you may have a form to input into a computer. But it's not going to get into the company's computer until someone has actually created the template. Someone has to create the form, and yet another person has to put it into the computer, before you actually fill it out. Interdependencies are a very important part of teamwork. This is where people and processes come together. It's absolutely crucial.

I remember doing the PCC with a quasi-governmental organization. The participants had divided up into different teams and had accomplished the first run of changing the tires on the race car. They fussed and fumbled and laughed their way through it, but they did get the job done. In the first debrief session, I asked them, "How did you form your teams?" Everyone in the audience agreed that they were formed randomly. That's not that far off from how many teams are put together in workplaces. Someone in management might ask, "So who's available? Let's see, Joe over there, ask him. And Theresa always doesn't mind helping out, so we'll put her on the team." The formation of the teams sometimes appears to be very random, based on who's available or who needs more work or who likes to be on teams, none of which necessarily has anything to do with the actual skill set needed by the specific team.

In a perfect world, management would choose teams based on knowledge of people's skills and capabilities. However even that may seem random to the team members, especially if they find themselves in a room with a group of people they have not have worked with before. This is certainly what happens in the PCC, and quite deliberately so. In real life the participants work for the same company or organization, but they're often assembled randomly for the PCC.

My next question to this organization was, "What did you do next?" The responses I received were about process.

"We defined roles," they said. "We figured out a strategy. We worked on a plan. We decided who would be the leader."

"OK, so then what else did you do?" I asked them. Again, I got all kinds of responses about process: "We actually did a dry run of our process" or "We walked around the pit crew area, sizing it up so we would have a good idea of the space we'd have."

There's nothing wrong with any of these responses. They all deal with valid issues that need to be looked at in order for a good pit crew to do well. Eventually this group got to the point where they couldn't think of anything else to share. I pointed out that although they were great at defining the process, they had given absolutely no answers about the people part – the soft skills. (See box, below.) I asked them why they hadn't spent time finding out a bit about each other and what each other wanted and about how each other saw the task at hand. They were silent.

We discussed why this happens. They came to realize that coming up with solutions to problems feels much more comfortable than probing into the people issues. In other words, for them, as is the case with many people in various workplaces, problem solving is a huge comfort zone. In problem solving, we all have to do something. So we revert to our own area of comfort regarding what we do on a day-to-day basis. That's our natural human tendency when we're not sure what's going to happen.

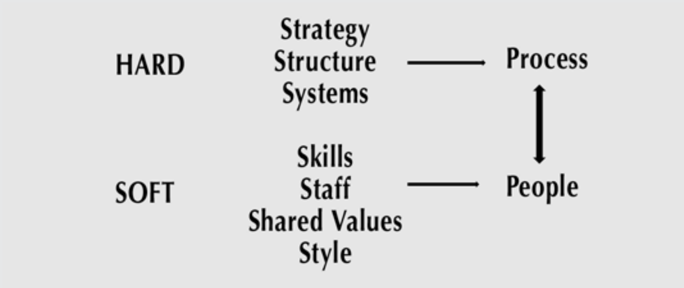
McKINSEY 7S MODEL

This is a widely used guideline for helping organizations see the connections between strategy and implementation.

According to one of its developers, Robert H.

Waterman Jr., it is important not only to look at strategy and structure, but also to understand how the culture of the organization impacts work.

This model can be broken into both the traditional "hard" and "soft" skills.



Key to any strategy implementation is alignment as set out in this 7S model. Any gaps can result in challenges moving the organization toward its goals.

In the PCC, we refer to these two distinct areas as process and people. The two are very connected; there are many interdependencies between them. No one has ever really been on a pit crew before. That means that everyone has been thrust outside their comfort zone. If they come from workplaces where problem solving is valued, where it's part of their daily work, they tend to focus on the problem to be solved: changing the four tires under the clock and improving their time. This is their area of strength – their comfort zone. Once they've found the problem, they immediately begin to look for the solution, asking, "What are the tools? How fast is the car going? Where should I be standing with the flag?"

Some businesses become so focused on problems that when there isn't one, they make one up. Executives call that "job security." The process becomes about problem solving, even though there is no problem to solve. In the PCC debriefings, we spend a lot of time looking at just how powerful the focus on problem solving is and where teams should start instead.

My next question for the governmental employees that day was, “What about the people component? Did you look at the softer skills?” Many groups actually do some of the people piece but don’t put it in their notes or on their flip charts because they don’t think their points are important. When I pressed this group to reflect on the people piece, they said things like, “We told each other our names.” I asked if anyone had any experience changing tires really fast. Some of the groups even mentioned that they did a bit of coaching of each other during their preparations for changing the tires. They say they had committed to helping each other improve. It was great that they got to that point. However, it’s interesting how hard they had to be pushed to even mention it. This shows that they failed to see how important it was to know something about the people on their teams and to foster a coaching culture.

Here’s another major reason why so many people and organizations focus too much on problem solving and too little on people: We’ve created organizational cultures where what’s valued is “to get better and better”: in other words, continuous improvement. Every day we go to work and try to improve our efficiency. We try to save a dollar here; we try to save effort over there. The model of continuous improvement says, “Find the solution to doing this better.” The belief is that every time we do find the solution, there will be more bottom-line profit leading to more reward, financial incentives, and accolades for the team members who came up with the “solutions.” The culture we’ve created in organizations is one of “efficiency is a problem, so if you can provide a solution, there is more in it for you at the end of the day.” People in engineering and sciences sometimes even say that softer skills – the people part of teaming – are not a practical component in continuous improvement.

That can be a fatal error because the people part *is* a practical component. It's people who do the problem solving. If your problem-solving process is so all-powerful that it runs roughshod over your people, you're not going to get any real improvement at all.

There needs to be a balance between people and processes. If the people in your organization are not motivated to work together and if your processes are so complicated or policy driven that the people can't execute the solution, you're never going to be really productive. As a result, you'll fall short in providing anything of value to your customer. The only way PCC participants are going to actually improve their time, and therefore keep the driver (customer) happy, is to know something about each other so they can work effectively together. If they remain a motley crew of random individuals, their work is going to be motley and random. The team members have to learn to depend on each other.

But how do you get your people aligned so that they do depend on each other and work toward the same end? The starting place is the ultimate people piece: shared values.

Challenge #4

Putting values first

Understanding the role of values is a big part of the emphasis on the people in teams. It is very important that everyone on the team understands the various roles involved, but as mentioned in the previous chapter, on the process and people challenge, it's important to understand the interdependencies, the way the team members rely on each other. Team members need to grasp how their role affects other team members' roles. Without this understanding, a team will be mediocre in the results it achieves – or the task may not get done at all.

Values help people on teams understand the direction they're moving toward. In the Pit Crew Challenge, there are three key values, which I call the "trinity of values," for this activity: speed, safety, and quality. People may come up with other values, such as teamwork itself, or even fun, which I won't discount at all. But ultimately we want to focus on the trinity of values and one other primary value that actually drives them – but you should know what that one is by now.

The pit crew must accomplish its goal with speed. They must do it safely. They must do it properly. These three values of speed, safety, and quality are symbolic of the values of many types of companies and work situations. Teams in organizations certainly want to accomplish their tasks quickly. They don't want to get bogged down in interminable meetings. They need to get the job done so they can actually get out the door and on with other things. Safety is also a huge priority for many companies, and it is our activity's chief value (which has served us very well over the years). And it's important that the achieved goal be of high quality, whether it's a product, a service, or the improvement of a process.

But what about the fourth value? It's one that is often neglected in organizations, even though it's perhaps the most important one of all: focusing on the customer. All the products and service, indeed all the work we do, point us toward satisfying the needs of the customer. The reason we're there as a team and an organization is to provide value to our customers. If we don't realize this, then eventually we're not going to have a business where customers show up. The PCC shows this experientially to people. They realize that if they don't manage to please the race-car driver (the customer) by getting the tires changed within an acceptable context, he won't be very pleased with them. If they were a real pit crew, the driver (customer) would likely fire them because their work kept him from winning, or at least from being in the running.

Why is neglecting values a problem?

In the PCC many of the teams are so caught up in figuring out how to do the task, they feel that spending time discussing the values underlying the task is not important. "OK, we just have to get those tires changed. Let's get on with it" pretty much sums up their initial attitude. They don't understand at first that the values of speed, safety, and quality must drive the activity. (It's quite deliberate in the Pit Crew Challenge that "driving" actually takes place. It acts as a symbol of what companies are involved with every time they use teams to improve company processes or customer service.)

I always ask the PCC groups whether anybody talked about values. Many a group has responded with, "What do you mean? What values?" I even get irritable responses, such as, "Why would we talk about values? This isn't a philosophy class. And besides, we didn't have time to discuss them."

I wonder how much time they would need for a value conversation to happen. My experience is that it's just not going to take place unless they can get out of the mindset of starting with process first.

It's amazing to see the disconnect that individuals and teams have between values, strategic intention, and implementation. This becomes a major issue in organizations that spend a tremendous amount of time determining corporate values and figuring out which values are going to guide the organization, while at the lower levels of the organization people have no idea how those values fit into their day-to-day work.

Let's say you're a truck driver and you know that the values of your organization are speed, safety, and quality. You may still have no idea what impact your personal truck-driving abilities are going to have on the organization. You may be focused on your own personal safety, which is good, but if you're going to be a successful truck driver, you're going to need to understand the significance of all the values.

The PCC illustrates to people in a very real way some of the things that can happen when they are not aware of the underlying values. The first thing is that teams typically focus on time. Participants often want me to tell them the times of all the previous Pit Crew Challenge teams. (For safety reasons, I won't ever tell.) Since this is a pit crew experience, the teams draw the logical conclusion that they have to do their job as quickly as possible. But what they don't realize is that there's a difference between speed and time. Speed is the value, time is the metric – the way the value will be measured.

This distinction is crucial, because when they think that speed is time, they start to obsess about time. They know they're going to be measured on time, so they indiscriminately start doing things quickly. As a result, they start making mistakes. They start putting the wrong tires in the wrong place. They don't tighten all the nuts and end up with some troublesome quality issues. Or sometimes they rush the car out of the pit before all the equipment is back behind the "pit wall," thus incurring safety penalties. The penalty we give out most frequently is the tire-jack challenge penalty. That's where teams are required to leave one nut tight on each wheel as the car is being jacked up in the air. They cannot remove the tires from the car until the car is no longer going to be moved any higher. (This is also done for safety.) The team members have to communicate so the members in charge of the tires know when they can take them off. Because the environment is noisy, they may have to rely on signals.

In the first run, groups get so focused on time and doing things quickly, they often forget about the quality and safety penalties. They end up losing points off their time because they've ignored the rules. This illustrates how when we focus on one value at the expense of other values, things go wrong.

Winning is a value that I hear from many groups, and I'm often curious what the team members think they're trying to win.

A team member might say, "Winning is winning. Everyone knows what winning is." From there the dialogue usually goes like this:

"Have you won when the car is jacked up?"

"No."

"Have you won when you're loosening the nuts?"

"No."

"Have you won when you've got the tire on the car?"

"No."

"Have you won when all the tires are on?"

"Yes."

"How so? Was the driver happy with what you did?"

"We don't know. We didn't ask him."

"So what was the value of the activity if you don't know what the driver feels about how you did?"

Indeed, the overarching question here is: Where are the values and where do they fit into this ethos of "we have to win everything" if you don't even know what your everything is?

In their eagerness to achieve a really good time, the team loses sight of their customer, symbolized in the PCC as the race-car driver who wants to win the race. He is the pit crew's customer. If they don't equip him to have a good chance to win the race, he's not going to be happy with their efforts. This means the teams must focus not only speed, but also on safety and quality.

How can we think differently about values?

Let's consider more closely the connection between corporate values and team values. Team values need to be a subset of corporate values, or at the very least aligned with them so they don't contradict them. Organizations do not function effectively when what people do on a daily basis is not connected to the larger picture of what the company is all about.

Let's say a public hospital's two main organizational values are (1) excellent care for patients and (2) public accountability for the hospital's finances.

Among the hospital employees are the cleaning staff, those who keep patients' rooms clean along with all the treatment areas of the hospital and the public access areas, such as hallways and lobbies. A member of the cleaning staff may look at the hospital's values and think, "I don't deal with patients directly, and I really don't have anything to do with the hospital's finances."

But ask that person, "Is making sure that the hospital is clean important?" and you're going to get the answer, "Yes, of course." Ask whether cleanliness is in any way related directly to patient care, and you'll get the response, "It's important because it helps keep germs away from sick patients."

Ask whether that in turn helps provide excellent care for patients, and the cleaning person will say, "Yes, absolutely!"

You may then ask, "Does your department engage in finding and ordering cleaning products that can be used by several cleaning staff groups within the hospital and not just your own area?" The answer is going to be, "Yes, because we get better prices that way."

"Does this attention to pricing and how you can get the best deal from suppliers relate in any way to the hospital's value of being accountable for its finances?"

"Yes, I guess it does."

There doesn't have to be a disconnect between overall organizational values and what teams do on a daily basis. Teams need to understand that what they contribute daily plays into those values. Many organizations do a good job of communicating the values, but a really poor job of connecting them to each and every aspect of the organization.

If a team doesn't "get" that they are part of the values, you'll get some problems along the way. They'll begin competing for resources. They'll communicate poorly either with each other or across the organization, causing duplication or the question, "Why are we doing this in the first place?" Or a manager will say to employees, "Just do your jobs. That's what you're paid for." True enough, but what kind of commitment do you think you'll get from people who are just doing what they're told? At best it will be lukewarm; at worst it will be resentful. For sure it won't be customer focused.

Sometimes members of the PCC will say, "Give us an example. What do you mean by 'value'?"

It's very disheartening for any organization when people don't even know how to define a value. Once we do start giving them examples of what would be some good values for the PCC, namely speed, safety, and quality, some participants say things like, "Oh yes, we did talk about safety and about avoiding penalties. And we did discuss that we had to get it done right, so that has to do with quality." It's fascinating that some groups do actually talk about values but don't recognize that they've been doing so until someone puts it in context for them.

Team members in companies need to recognize upfront that they're having a value conversation. They need to say to each other, "Before we start figuring out the roles and who's going to do what, let's figure out the values that are going to drive this activity. What are we going to do as a team and why?"

Every team that comes to the PCC soon realizes that several values in their company exist simultaneously, just as speed, safety, and quality do in the pit crew. Then they begin to see how these values may conflict. In a pit crew, too much speed can compromise safety. Overemphasizing safety can compromise speed. Compromising either speed or safety can end up affecting quality. Or getting something perfect can take too long. This leads the team to consider another very important part of teamwork and values: the ability to manage complexity.

Challenge #5

Keeping complexity from bogging things down

When people have been brought together around a common goal, and when (as is quite natural) they are thinking about themselves and trying to figure out what's in it for them, they find something interesting: that aspects of these two concerns – the goal and their own self-interest – can sometimes differ. Or when the team acknowledges several values, situations will arise in which the values appear to conflict or the team is not certain which of the values should be given priority at any given time. I call this "managing complexity."

Managing complexity is required when you have two or more competing ideas in your head at the same time. Every organization of any size is going to be confronted with this. The minute you have the mixture of people, structures, processes, goals, and values, you've got complexity. If there wasn't any complexity in an organization, we wouldn't need management. Even solopreneurs with no employees have complexity to deal with in their businesses. They have to dance the dance with their suppliers, their services, and their clients.

Both leaders and teams within organizations have to understand complexity and to become skilled in the art of balancing values, desires, and needs. It's a tall order. The pit crew experience shows participants very quickly the complexity involved in even making and executing a simple decision like changing four tires on a race car.

As I mentioned in challenge #4, some people on the teams think it's all about speed. However, other people in the group will think that quality is more important. Still others will emphasize the safety aspects. What is important here is that all of them are right. The objective is about all of these values at the same time. Without this realization, these situations can become divisive. Instead of having a team focused on all of the prime pit crew values, we have individuals who are each focused on their value of choice. They don't know how to manage the complexity of keeping the values in synergy with each other.

If teams do not discuss how to balance the values (complexity), team members will become frustrated with each other and the team process will very quickly begin to fall apart.

Complexity challenges

The dysfunctional aspects of managing complexity emerge clearly in the Pit Crew Challenge. The safety people want to jump all over the speed people. The quality people oppose the speed people. The speed people criticize the quality people for being too nit-picky and tell the safety people that they're overreacting.

In the first run, the teams go out and change the tires to benchmark their time. In the debrief that follows, I ask them to tell me which values they focused on most. Those who focused on speed find that they've made more errors. Those who chose safety and those who chose quality find that their speed suffered.

Complexity remains an issue in the subsequent runs during the day. In the second run, for example, they may still focus mainly on increasing their speed. They may still find themselves incurring penalties for safety (sometimes even more) and not achieving the quality that they're seeking.

When teams in business are considering value priorities, one value is almost always going to appear to be the most important when in fact it is only one among all the values. In the PCC, the speed value appears front and center because, after all, this is a pit crew experience and everyone knows that for a pit crew, speed is of the essence. But they learn firsthand that an overemphasis on speed is going to cost them. A lug nut is not tightened properly. The person with the jack starts too late. The flag person waves the driver onward before everyone is back behind the wall. The result? Penalties.

If they don't get through this impasse of speed at all costs, the entire task is compromised because the penalties and the lack of quality displease the "customer" – the race-car driver – who no doubt is not impressed that there was a safety violation involving the car he's driving.

Managing complexity is a problem for organizations for two reasons. First, it is universal. There's no getting around it. Second, it's hard, especially when you have to resolve the complexity in the heat of the moment. Most prosperous companies know they cannot waste time holding endless meetings to debate priorities. Sometimes the effort to manage the complexities creates a bigger bureaucracy, which in turn creates … guess what? … more complexity.

In my experience, complexity issues cause the most interpersonal conflict for teams. There are far more conflicts revolving around people's ideas of how things should get done than around personality traits. The fear of conflict in teams over tasks and values often causes teams and their leaders to shy away from the complexity issues and pretend they're not even there. If they do that, they're not going to end up with a viable team. Healthy teams realize they need conflict and therefore provide a forum to discuss values. Otherwise, they are in danger of people engaging in groupthink.

GROUPTHINK

An idea surfaces during a meeting, there is evidence to support the claim, and the group buys in. Everyone thinks the idea will work and has complete faith in the leader and the team. They believe they can't fail because everything has worked before.

This context with no conflict is called "groupthink." The term was coined by Irving Janis in the early 1970s in the context of political and military decisions.

In the early to mid-1970s, the Ford Pinto was an affordable hatchback with a unique design. It was stingy on gas, which appealed to many after an earlier oil crisis. It had one problem, however: the gas tank was prone to exploding if the car was hit from behind. This was a design flaw that was calculated after crash tests, yet even though Ford engineers had a fix, it would mean the cost of the car would go over the $2,000 cost limit set by Lee Iacocca. The costs to recall and fix the gas tank would have been astronomical.

Ford's leadership decided during a team meeting that it would be cheaper to pay out the wrongful death/injury lawsuit claims than recall all the cars. This idea was supported by the data, and Ford agreed to not recall the cars. Their data were flawed, because more injuries were reported than thought. Eventually the government demanded a recall and Ford conceded.

This was a perfect example of groupthink. The engineers chose not to challenge the leader who had a very closed style. Groupthink develops when we don't take our values into account when we're making decisions, or allow for some conflict on our teams.

In contrast, consider a decision that could have destroyed a company but was made anyway. In 1982 someone put drugs in a Tylenol bottle that didn't belong there. The result was the death of some people who unknowingly took these tainted drugs. The manufacturer of Tylenol, Johnson & Johnson, resolved the problem by removing all the drugs from shelves at a cost of over $100 million in lost product and revenue. To this day, Tylenol still enjoys some of the strongest brand loyalty and recognition among consumers.

Conflicts between priorities may in fact be good for teams. People do need to challenge and question the directions they are about to take as teams, but they need to question them in connection with the values established by the team and by the business. When I speak with groups in various industries, from banking to retail to manufacturers to government, I talk a lot about the misalignment of values. This problem can make the complexity issues even more difficult to deal with. I believe that forty percent, at least, of the time managers spend working with their staff involves trying to get everyone on the same page concerning values. Think of how much time and effort could be saved by discussing these issues at the outset before they become a problem.

In the PCC it's not unusual to have one or more people on any one team who are totally focused on safety, others focused on speed, and others on quality. You've got your speed person saying, "I don't care about anything else. Just get it done fast." The quality person responds, "What matters is that the job is done right and I don't want anyone here cutting any corners or even thinking about speed as being the main thing." Then you have other team members bringing in yet other values, such as making sure that everyone on the team is treated fairly. And there are people who just want to make sure the job gets done so they can either get on to the next job that needs to be done, or call it a day and go home.

If you're a team leader in your workplace and you haven't openly discussed values and practices at the outset, including talking about how these competing values and practices (complexity) can be balanced by developing interdependencies, then six months down the road you're going to have your quality person in constant arguments with the speed person and safety person. They're going to be at each other's throats all the time. And the interesting thing is that all three of these individuals are right. All three have every right to say what they're saying. They're all correct in their perception of what's important.

Your job as a team leader is to make sure your team members understand each other and that they begin looking at their interdependencies. That means helping the quality person understand that quality is only good if we can get the product out the door. It means helping the safety person understand that safety is extremely important but that you also need to make sure things are done well and in a timely fashion so the product or service actually gets out into the marketplace.

How can we think differently about managing complexity?

The complexity issue that emerges so strongly in the first run of a PCC shows signs of progress a few runs later. Most of the teams actually do manage to get past the complexity because they experience the need to balance the values. Then the trade-offs begin. If there is any ambiguity on any of the values, the trade-offs will result in the process feeling "all over the place." So the key to managing complexity is to accept right off the bat that all of the values and all of the aspects of doing the task have importance. The primary concern is not to make those aspects compete in an "if this, then not that" kind of way, but rather to look for the interdependencies between them. Once the team understands the impact of all aspects of the process, it begins to manage them better.

The whole point of teaming is interdependence. When team members realize that "my job is only as important as it helps you do your job well," they go into a more collaborative mindset.

Once a team has clearly understood the interdependency of values and tasks, they add another theme or value to weave things together: the idea of continuous improvement. Earlier I said that continuous improvement can be a Catch-22 if all you are focused on is the process and not the people, and especially if you're neglecting the values involved in your work or taking them for granted. However, a focus on the interdependencies between people and interdependencies between values and tasks creates a far more sweeping idea of continuous improvement. Teams start taking things out that aren't important and adding things that will help them function more productively. They start to develop signals and techniques to help them integrate the values while completing the task. This may seem quite natural to workers on the production line, but it doesn't always translate easily into process for office workers.

However, continuous improvement is not the only motivator to manage complexity better. It comes back to the "win what" question: the customer. If the aim is to provide value to the customer, then everything you do, every part of the process, must be looked at through that lens. Teams must start asking themselves, "What is it that the customers consider to be of value? Are we giving them that?"

Teams get better during the Pit Crew Challenge because they learn to continually review their processes in the light of values. They start coaching each other about what's important. They come together, not on the question, "How can we do this really fast and safe so that we'll have the best time and look good to everyone else?" but on the question, "How can we make sure that the driver is satisfied with what we do?" This translates in the business world to, "Who are our customers? What do they consider value? How can we give it to them?"

Keep in mind, however, that managing complexity is always a fluid process. There's no quick fix. There are always going to be competing values in no matter what task we choose to undertake. It's just a fact of life. Complexity is not something to be "solved"; it's something to be understood and managed. The key is to take the competing energies and turn them into creating a balance. Complexity is about AND, not OR. It is safety, quality, AND, speed. The question is how do we get all of them at the same time?

Consider this example. A jet leaves New York to fly to Los Angeles. Contrary to what many people believe, the pilots don't just point the jet directly toward Los Angeles and start flying. They know that other elements, such as wind sheer, will "compete" against the plane to slow it down or deflect it from getting to Los Angeles. The plane is also dealing with the force of gravity: the challenges of keeping a large solid object in the air while there is always natural pressure on the plane to move down. That doesn't mean that the plane can't get to its goal. It does mean that the pilots have to constantly adjust their course to make sure they're moving in the general direction of their destination, even though part of the time it may appear, in terms of a straight line, that they're not headed there at all. In some cases, the pilots will have to adjust upward; in other cases, downward.

Sometimes the pilots have to move the plane to the right, sometimes to the left.

What's paramount is that the pilots are totally clear on their ultimate destination. In all kinds of businesses and companies, the process is the same: a continual need to adjust up, down, or sideways, while keeping the goal in mind. If you as a team member don't know where you're going, then competing forces (such as values, rules, policies, priorities) are going to take you completely off course. Consider if the pilot of the plane en route to Los Angeles were to say, "Oh darn, look at this wind. It's blowing in the direction of Minneapolis, so let's just go to Minneapolis instead." How satisfied do you think the passengers (the customers) would be? There's nothing wrong with that great Midwestern city, but the customers' desire is to go somewhat farther west.

In other words, a product or service, no matter how good, will not satisfy the customer unless it's something the customer wants.

Complexity is actually what makes work life interesting. See it not as a hassle but as an opportunity for dialogue and the development and encouragement of new ideas and collaborative synergies.

Challenge #6

Getting team members to trust each other

Everyone knows how unproductive a work environment can be if it is permeated with distrust.

For example, I once consulted with a company in the construction industry that had seasonal labor peaks and valleys throughout the year. During the spring and summer, building demand was high and plenty of labor was required. By winter, production slowed down and fewer workers were needed.

Early each spring, management would ramp up hiring and train new people for the coming workload. But for some reason, the people would not stay long. Turnover was close to two hundred percent per year. Workers would show up one day and then not come back. The company was going to have a real problem if it could not meet customer demand – the customers would go elsewhere. The turnover was also a cost the company could not afford to continue incurring. What was happening?

The company's policy was that when the team ran out of work for the day, everyone was sent home and was being paid only for time worked. This was not a problem when the workforce was smaller because shifts lasted the whole day. But when new workers were hired and trained in anticipation of greater workloads, work was completed far too quickly for the tastes of the veteran workers.

The veterans developed an "us against them" culture, letting in only those with similar values, and keeping out those who were a threat to their full shifts. Good workers were treated poorly by the veterans, because they threatened their pay, while poor workers were favored because they helped keep the shifts longer.

Management, meanwhile, was weeding out the poor workers, eventually adding to the turnover issue.

We fixed this problem by introducing a reward system for attendance and lower turnover. We were clear on the expectations of workers and rewarded them when they delivered on those expectations.

In any competitive environment where there are limited resources, trust becomes the victim.

I've had many people approach me during PCC sessions and say that competition is important internally among their co-workers back at their organization because they are vying for jobs, promotions, bonuses, and raises. Since these things are important to them, they ask, "How can you say people should not compete internally?"

This is for sure a complexity issue. I believe that the reward systems in place in many organizations do not fit the desired culture. Leadership must address this. But ultimately co-workers must manage the need for trust and collaboration on the basis of their own personal motivations, which should be aligned with the team's motivation. If they can't do that, they will not be seen as team players and ultimately those promotions, raises, and bonuses will be affected negatively anyway.

An organization without trust or a team without trust cannot move forward at all. Trust is the foundation of all teams. It's very similar to the foundation of a house. Once a house is built, if the foundation is not solid, the house will start to fall apart, or it may collapse altogether. Here's the formula:

Common Goals + Shared Values + Risk Clarity = Trust.

If there are trust issues on a team, repairing the trust foundation can be difficult and takes a lot of work. There are two options. One is to completely "tear the house down" and start from scratch. The other is to work one pillar at a time, addressing and resolving each issue. In the business world, this means either completely dismantling a team and starting a new one from scratch, or looking at each individual on the team and trying to develop some good interdependencies. You need to recognize which option is worth the effort – which is more likely to result in the turnaround you're seeking.

I like what Warren Buffett says about trust: "Trust is like the air we breathe. When it's present, no one notices. When it's absent, everyone notices."

Understanding the relationship between trust and risk

People starting a team from scratch who don't know each other well are likely to begin from a position of trust. Why is this so? Because they do not know enough to see where they may be at risk with their fellow team members.

After the first run of any Pit Crew Challenge, I ask the participants, "Did you trust each other on your team?" Every one of them adamantly says yes. Then I ask them, "Why did you trust each other?"

They come up with all kinds of reasons. "We all work for the same organization." To which I respond, "There are plenty of people who work within the same organizations who don't trust each other." (I used to ask groups if there was anyone in their organization whom they did not trust. The response was silence. A few might nod, but most looked at the ground, avoiding eye contact. So I rephrased the question, saying, "Are there people in your organization who don't trust others in the organization?" I got plenty of responses in the affirmative.)

Then the team members say, "Well, we had no reason not to trust each other." In other words, they're saying that trust was their default position. I ask them, "How can this be the case when we live in a society where strangers don't automatically give trust to each other? Do you trust everyone you meet on the street?"

Right away they'll recognize what I'm saying. Some will recall a newspaper story about break-ins or the government's latest broken promises, and then they'll begin questioning why they trusted each other.

Things start getting clearer when I ask them what their level of risk was when it came to performing the PCC. Immediately they answer that the risk to them was low. "How low?" I ask. "Zero," they say. I ask why. Their response is usually along the lines of, "Well, Bob, in the short term you've made this a very safe activity. We all feel comfortable with the safety procedures. We've done it once. We feel our personal risk is low."

Other members say (and I'm paraphrasing): "In the grand scheme of our lives, this being an experiential training activity, my risk is very low. If I don't do well in the Pit Crew Challenge this afternoon, that's not going to have any impact on my real job. I'm still going to go back to it. My livelihood is not at risk even if we're the worst pit crew ever."

So that's it. Low risk = high trust, but high risk = low trust – that is, when perceived risk is high, trust tends to start lower, unless other elements are involved, such as a relationship, a common goal, good coaching, respect, understanding of context, understanding common values, and so forth.

This perception of the relationship between trust and risk usually comes as a big surprise to PCC participants. They know that to successfully and safely change the tires, they have to trust each other. They readily arrive at that trust because they feel that in the long run they really don't have to worry about how well they do. This is a powerful insight because it helps them see how the presence of trust makes it easier and much more enjoyable to work together. They see that this should also be the case in their workplaces. They can make high risk = high trust.

Another factor that affects the perception of risk, and therefore the level of trust, is whether there is ambiguity about risk on the team. Members need to have a clear understanding of their level of risk. Ambiguity causes people to make assumptions in order to fill in the gaps. Although a perception of low risk can develop high trust, there is a chance it can build complacency without a supporting cast of shared values and common goals.

Risk is all perception. Your risk is what you perceive to be your risk, and what you perceive to be your risk will affect the level of trust you have in those around you. You may be always worried about losing your job and whether you could find another job in your field if something were to happen. Or you may never worry about how you're viewed in your job because you feel that there are lots of other opportunities out there. Either way, your thoughts about risk affect your ability to trust your team members. And this is something that many organizations seldom realize or even consider as they analyze how to get teams to perform better.

Managing the perception of risk

Managing this continuum well is definitely something for companies to ponder. If a company wants to have effective teams, its management group needs to find ways to help people understand their level of risk, while at the same time focusing on accountability. People need to feel safe on teams so their level of trust will be higher.

At the same time, things shouldn't be so Pollyannaish that people feel it doesn't matter what they do. If you are a manager or a team leader, you can manage trust through looking at how your people are feeling about risk. I don't see any other contributing factor to trust that's as important as risk.

Risk can change if we're willing to work at managing the perception of it. One very significant way to do that is to take the focus off the individual team's performance and put it on the value of the customer's needs. In the PCC, once the teams get focused on satisfying the customer (driver), their level of trust remains high. That's because they clearly understand what the real priority is. They have a common goal, and they understand what they're really trying to win.

This issue emerges almost immediately in the first run, continues during further runs, and really results in an "aha" experience at the end of the day, as we'll see later in this book. By the end of the PCC, most of the teams no longer feel any ambiguity about the risk. They understand that the risk is in the area of customer satisfaction, not on how they look as a team or on who looks cool holding a jack. It's this removal of ambiguity that keeps trust high.

So companies must ask, "What are we here for? What is our purpose for being in business? Who benefits from our being in business?"

Then risk, instead of becoming the toxin that poisons trust, becomes a fuel to keep people focused on their customers. Risk helps motivate team members to trust each other to work together in order achieve excellence in customer satisfaction.

Challenge #7

Getting beyond observation and imitation to a coaching culture

As I mentioned in Challenge #2, on the role of context, one of the first responses I get after the first run, when I ask the teams what they did in their groups, is: "We watched the other teams put the tires on the car and then we did it." In the discussion of that challenge, we saw that observation without the right context (why something is being done) is not really all that useful. Imitation does not in and of itself produce excellence.

It's true that observation plays a major role in learning any new skill or process. People can definitely benefit from watching someone who is more skilled at a certain task or interaction. It's also true that just observing someone do something, perhaps several times in a row, may bring people some degree of success. For example, in the Pit Crew Challenge, the person on a team who's going to operate the jack may learn from watching the jack person on the team ahead of them. However, there is a giant assumption here: that the jack person on that earlier team really knows what they're doing and is executing well. This may well not be the case. Many of the participants have seldom if ever used a jack before, and it's also safe to say that few if any have ever jacked up a race car under the clock.

The real challenge is to get people from the point of merely watching and imitating to being open to coaching and being coached.

Why is observation without coaching a problem?

Me-too-ness or mediocrity results from observation alone without dialogue on the steps to take and how to do them. Monkey see, monkey do may result in a respectable baseline performance but seldom accomplishes any kind of real understanding or excellence. There is a major difference between copying somebody doing something and learning how to do it yourself.

Why do we see so much mediocrity in companies today? Because people are in copy mode rather than learning mode. Some companies feel it's a great way to cut corners in terms of time and expense: "Never mind asking why, just do what I do or what I say." That may be perfectly OK for very simple tasks, but when the processes are complex (such as designing a new corporate training program), or when the tasks involve the collaboration of several individuals or departments (teaming), copying leads to mediocrity.

We see this externally as well. Consider a company that develops a product or service by imitating another company's product or service. The result is likely to be a so-so product and an apathetic group of workers and customers. What's missing in the company doing the copying is ownership and understanding.

The difference is between copying a source and learning from a source. When people really integrate an idea or process, while also learning from a source, they take some ownership of the process and make it their own. So it's not the copying itself that's the problem. Innovation isn't always about a brand-new idea. Often it's about a particular way of implementing an idea that's maybe been around for a long time.

For example, current wind-turbine technology is providing great innovations in electricity production, yet windmills have been around for centuries. Windmills saw wood, grind grain, and even pump water, but by changing the context, engineers were able to innovate on this very old technology without having to change too much.

The PCC readily reveals what happens when teams function by observation alone without the right context. In each of the runs, the teams don't know until the end of the run whether or not they incurred any penalties. So if the first team made mistakes, the other teams, through copycatting, will find themselves making the same mistakes, and then the participants find out that they've all lost points.

At the point where they realize that they can't improve by merely watching, participants become open to the idea of coaching. Since in the PCC the level of trust is high because the level of risk is low (as explained in Challenge #6), the coaching process evolves quite naturally. In many workplaces, however, coaching gets mixed up with performance evaluation. The person being coached may think that being coached will reveal weaknesses that will go on "their record." This makes sense. If you're always focused on your performance ratings, you will want to save face by always appearing to know what you're doing. In other words, in many businesses, coaching becomes a means of measuring performance rather than a means of motivating greater performance.

It's imperative that businesses today disentangle coaching from performance evaluation. If they don't, their team members may resist both doing coaching and being coached and not achieve the improvements that will bring them to excellence in the eyes of their customers.

How can we think differently about observation and coaching?

The role of coaching is recognized, accepted, and welcomed in the sports world. But it is often overlooked, downplayed, or performed incorrectly in the business world.

As well, workplace teams do differ from sports teams in the sense that we're not necessarily talking about a coach but about possibly multiple sources of coaching. Though it's true that all teams need coaches, the process will be different in a workplace team compared with a sports team. As mentioned, in many cases at work, people receive coaching when performance needs improvement – the process is veiled in a feeling of failure. In sports, performance is just an accepted element of the game. And this may be why so many people in the workplace resist coaching: they don't yet see it as an accepted element of the game.

How can we change the attitude of workers so they see coaching as an aspect of their job, and not as a consequence of poor performance? One way is to develop a coaching culture with the proper rewards and metrics to encourage the behaviors while at the same time ensuring that at every level of the organization, people have a coach. Being coached becomes the standard instead of the exception.

Many times in the Pit Crew Challenge, the teams are brought together randomly; they are not usually matched by their workplace teams. I set it up this way in order to create a situation in which participants will be more open to coaching each other. Existing relationships can have a positive or negative effect on coaching. I try in this experiment to remove known elements so teams can isolate and learn the impact of different behaviors on teams. I level the playing field to where no one knows anything about what they're going to be doing together. Once they gain some better context, they begin to look for coaching anywhere they can find it.

It's important to understand exactly what we mean by coaching. Coaching, from my perspective, is a dialogue between two or more individuals to help them improve their performance. It is not one person telling another person what to do. A coaching culture is one where people want to get better – it's an attitude. A person asking for coaching is in the mindset of "Did you see what I did? Are there things you saw that I could do better or differently?" A person offering coaching is in the mindset of "I saw your performance. Are you interested in some suggestions I might have about improvement?" Affirmative answers to these questions empower both individuals to share experiences, perceptions, ideas, and suggestions.

It's crucial that all parties are receptive to the idea of coaching. If anyone in the group is not receptive, it's no longer coaching. The ideas disappear quickly.

After the first run, I ask the teams if they helped coach each other. I get amused looks and comments like, "Yeah, the blind leading the blind," or "How are we supposed to coach each other when we haven't got a clue if we're doing it right in the first place?" Despite this response, many teams do eventually admit that they did talk about how to improve, especially when they became aware of their mistakes. Some groups, right from the get-go, give each other a lot of coaching. They may see it as "encouragement" or "collegiality" rather than coaching, but the bottom line is that they're trying to help each other improve. Many find, during the first run, that their assumption that they are to be competitive subverted their efforts to get the job done well. In the debrief, they therefore switch to, "How can we help each other?"

If only it happened that quickly in today's workplaces!

I often ask participants whether they receive effective coaching on the job. Invariably the answer is no. I ask them why they think people are so receptive to coaching in the PCC but not always in their workplaces. I get some interesting responses.

Some say that workers in business often assume that a coach must always know more about the process or must have more experience than the person being coached. We discuss how this is a fallacy. Sure, it's true that if you want to be a concert pianist, you're going to choose a teacher or coach who knows more than you do about playing the piano. In such cases, coaching is skill-specific. But in many coaching processes, skills are not the issue; a certain mindset is. If all coaches had to have more experience with a certain process than their clients, there would be no personal-development or business coaches. If you hire a business coach, for example, it's often not necessary that the coach have an exact background in your field. What you're looking for is someone with a wider perspective who can help you put things into the right context and who will be a new pair of eyes and ears to help you originate ideas. And with personal coaching, coaches and their clients often come from very different backgrounds.

PCC teams also observe that people in the workplace often overlook the fact that coaching can be peer coaching. Coaching is not always a matter of experience and expertise but of everyone helping out because they're all moving toward the same goal. Coaching-as-peer-dialogue can be as powerful as coaching-as-expertise. It's the dialogue among peers that's crucial to building good teams within organizations. Active dialogue (peer coaching) helps teams discover where the weaknesses in the process are and what needs to be done differently to redefine the process. It also helps build relationships and trust.

ENCOURAGEMENT ≠ COACHING

When I ask groups if they coached each other during their tire-changing exercise, I often hear, “Yes, we cheered each other on.” This is dangerous. Encouragement alone is not coaching.

Little Johnny is playing baseball and gets up to bat. Three quick strikes later and he is walking back to the dugout with his head down. What do we yell to him? An encouraging “Good try, Johnny … Good try!”

What does Johnny learn from this? That what matters is not results but simply trying. This may help Johnny feel better, but it does not help him improve his performance. In fact I’m willing to wager that better performance is the only thing that’s going to make him feel better. But why do we stop short at this point in so many instances?

The problem is we live in an encouragement culture. We prefer saying nice things over having “brave conversations.” We think being polite means ignoring undesirable behavior or performance, failing to see that the things can be brought to the forefront – politely. Few of us are willing to help co-workers change unhelpful behaviors. Those who are willing to say something don’t always have the support of those who would rather say nothing, and their efforts are not always successful. A lack of a coaching culture makes this even more difficult for everyone.

The TV program *American Idol* is the perfect example of our encouragement culture. Think about the three judges.

Paula is the encourager. She is the one who says nice things most of the time. She wants to be everyone’s friend and comments negatively only if a performance is so poor that everyone knows it.

Simon is the antagonist. He is willing to explore controversial themes and he challenges most contestants. When he does praise, it is considered, by contestants and audience members, to be of very high value. His criticism always generates booing and jeering from the audience. Not so much from the would-be idols, who are keen to hear his observations.

Randy's approach is right down the middle between the styles of Paula and Simon. But any criticism from him will also be met with booing.

What does this have to do with our encouragement culture? The fact that regardless of the truth of the coaching, people in the audience don't want to hear it. They would rather encourage effort than recognize reality.

This attitude in the general culture trickles down to business. It prevents the development of a positive coaching culture. We need to teach people to have "brave conversations" and to do so with grace.

During a recent PCC presentation, a group was trying to figure out how they could shave off some seconds for their third and final run. It was obvious that they were frustrated with their results.

"Is anyone willing to delve into a 'brave conversation' about what they see as the challenge?" I asked them. I was hoping to bait some discussion, but unsure where it was going to go.

"I'll share what I think," Jim piped up. "I think there was a problem with Sara and Becky who were working at the back of the car. I don't think they handled the job very well on that last run. They could not get the tire on fast enough, and we had to wait for them. We need to mix their team up, perhaps put in a guy who has more strength."

That was certainly brave! This was going to be an interesting conversation. I wanted to see if there would be any pushback.

"How do you feel about that, Sara?" I asked.

"I don't know – maybe he's right," Sara said. She looked confused. She did not agree with Jim, and may even have been offended, yet seemed to be trying to take the observation as well-intentioned coaching. She deflected the question to Becky.

"We could change if you want," Becky said. The smirk on her face said otherwise.

Not very many words had been uttered, but a lot was going on. I could have taken this down so many different roads. There were some obvious gender issues: the women were taking a passive approach to the challenge from Jim, and the rest of the group did not want to get involved. Everyone could see that it was brave of Jim to bring it up, but no one wanted to join him on this contentious ground. Now that it was out in the open, I had to make sure they resolved it in a meaningful way.

"Sara, Becky says you could change. What do you think about that?" I asked.

Sara started to think about that and looked around the room for support, hoping someone would jump in.

"I disagree with Jim," Chad said. "I want to challenge his assumptions. I think they can do it just fine. They may need some additional coaching, but they did it all right the first time, so I don't think there's a problem with their being able to handle it."

Chad was engaging in the ultimate brave conversation. Sometimes it's not the first statement that's so brave, but the ones that follow. The tendency for people to "stay out of it" is often too compelling. If we're not sure how to coach well, we may avoid doing it altogether.

"Sara?" I said.

"We had a bit of problem getting the wheel on the car, but I don't think it is because we can't handle it." Finally she was sharing her real thoughts.

I wanted to ensure that the situation was resolved to everyone's comfort. "To suggest that the job required strength is not a true assumption from my point of view," I said to the group. "In fact, it appeared to me that Sara and Becky just had a slight misstep in their timing. The issue of strength was not the concern here. Some coaching about their timing as they exchange the tire might help, but I'll leave it up to you to decide if you feel you need to make that change."

"We'll be fine," Sara confirmed. Becky nodded. Jim conceded.

And they were fine.

But to get back to Johnny …

"So, Johnny, how did you do out there?" I ask. I'm trying to get a sense of Johnny's context in this situation.

"I struck out," he says.

"What did you want to do?"

"Get a hit!"

"Would you like me to show you some ways to get a hit next time?"

"Sure!"

Brave conversations are about understanding the context and being willing to approach the issue. Jim could have started by asking Sara and Becky if they noticed any problems. If they did, then he's off the hook and they can all discuss it from there. At the very least everyone's contexts would be out on the table. This can help move the conflict forward in a healthy way.

I was blown away by a client we worked with recently on a team-development day. We took the entire work team of about twenty people and put them through the Pit Crew Challenge experience in the afternoon. The morning of that same day was composed of having this team complete a DiSC Workshop where they learned their behavioral profile. This worked very well as a buildup to the PCC, and it's something we do with a number of organizations. What was unique in this case was we decided to put people into teams based on their DiSC profile.

Like the many other assessment tools that organizations use, the DiSC Dimensions of Behavior assessment gives a general description of behaviors you would expect from an individual given a favorable situation. The descriptors in DiSC follow the letters D for dominance, I for influence, S for steadiness, and C for conscientiousness. Each person has a primary characteristic and a secondary one.

We decided to create pit crew teams based on the participants' primary styles. We created a D team, an iS team, and a C team to see what would happen. The contention in business is that teams need a diversity of behavioral styles – ideally at least one from each group. However, we wanted to see what would happen when teams were made up of the same style. We were very excited about the experiment. We planned, in later runs, to move people around to develop a mixed team, for comparison purposes.

We don't have enough data to draw precise conclusions yet. However, what impressed me most was the dialogue that occurred between teams in a strong coaching culture. I was particularly interested in observing the D, or Dominance, group, since its members would typically be described as of the controlling type. The types who take charge and change whatever they want in order to fit things into their context. Imagine having six Ds all trying to change four tires at the same time. I could not wait to see what would happen, because Ds usually don't take coaching well – they already know what they're doing.

I fully expected power struggles and arguments, but that did not happen. They actually got the best first run time of all the other groups – that surprised me as well. I asked them during the debrief, "What did you discuss before your first run?" and received the typical process-type answers. It wasn't until I probed for the people responses that I got the magic bullet. We were talking about coaching, and someone from the D team piped up and said, "I told everyone on the team to remember that we are all Ds and to not let that get in the way of our performance."

What a revelation! They realized that although there are many strengths to being a D, there are times when it can be a challenge to performance. By recognizing this trait in themselves, and coaching each other about it, they were able to perform opposite to my original expectation. This was a real win!

The learning here is that to do well, the team needed to have the right context about the composition of their team and to recognize the impact that was going to have on their culture. They decided that the culture they wanted – a coaching culture – required them to put aside their natural tendency to dominate.

Sheer observation and repetition isn't going to help teams get it together quickly. Practice does not make perfect. It's perfect practice that makes perfect. It's doing something well and doing it perfectly and then doing it again and again that's going to help teams get better. If you execute something poorly and then repeat it, you're just getting better at doing it poorly. I see this in organizations a lot. Teams often say, “If we just continue to do it, we’ll get better.” And I say no, not without some sort of active dialogue and not without some openness to real experience that helps build the right context.

I’m reminded here of the old adage, “A thousand monkeys typing at a thousand typewriters, in a thousand years, might type something significant.” I can’t wait that long and neither can your customers.

It may appear to you that I have just contradicted myself. I have affirmed that active dialogue among team peers, even if they lack specific experience, will help them build new capacities and abilities. Then I said that practice does not make perfect, only perfect practice makes perfect. You may be asking, so if you’ve got a bunch of inexperienced people all coaching each other, how are they going to get to perfection? Shouldn’t some sort of expert be there or be brought in?

The answer is yes, this is also true. However, it’s the active peer dialogue, the willingness to help each other and make suggestions, that actually makes the team open to the help of an expert. That’s why in the PCC I encourage the participants to coach each other, even if they feel they don’t know what they’re doing, before I bring in the experts. In this way, they’ve arrived at an important conclusion themselves: “Is there someone else we could ask who could help us with this?” At that point, before the next run, I say, “Would you like some coaching from the race-car driver and his crew chief (the experts)?” And they eagerly answer yes.

The pit crew teams welcome the opportunity to spend some time with the driver and his crew chief to go over the process and ask questions. The pros give them tips on how to do the tasks quickly and safely. They help the team members become comfortable with using the tools. Many team members say that the time they spent with the driver and the crew chief was the most valuable part of the coaching experience. They felt they were really learning to do something better. Why? Because they were learning from the pros what perfect practice is.

But what got them there in the first place? Their own dialogue with each other. Contrast this with how companies bring in the experts before their teams have had time to dialogue about where they need improvement, and before they have become open to outside help. The lion's share of coaching is not teaching skills but instigating attitude and mindset. Unfortunately, imposing an expert on a team before the team is ready may cause resistance.

The major factor here is trust. Trust is high among members of the PCC. It is further strengthened by their willingness to lay aside their competitiveness (which they've seen has caused them to make mistakes) and instead start talking to each other about how they can help each other. This further increases the trust between them. When the experts come in after that, the team is prepared to trust them as well.

Many companies deploy experts with the correct information into the ranks of their teams but nothing happens because the teams don't trust the experts or they feel the experts have been imposed from on high.

A far more useful role for coaching is dialogue. I'm talking about dialogue that results in people realizing for themselves what they need to improve and then opens them up to seeking improvement, whether that means drawing on the skills within the group or going to an outside expert. When you get that dynamic combination of dialogue and trust, you've gone way beyond observation and imitation. You've also gone beyond resistance. You've paved the way for teams to own the processes for themselves. Only good things result from that.

Challenge #8

Ego!

The thing about ego is that everybody has one: the drive to want to look good in the eyes of others and themselves. Because we live in a culture that is so keenly competitive in so many areas, we have fostered the development of strong egos. In a culture of "beat the other guy," ego emerges as a defense against insecurity.

Ego is about power. Everyone wants to experience having some kind of power. It's at the core of the human condition. In organizations where you have many different levels of skills, different pay scales, and different pecking orders, ego can take the form of status, the corner office, the fat paycheck, or the house in an upscale neighborhood. Or it can take the form of niggling at details, withholding cooperation out of jealousy or insecurity, sabotaging other people's agendas, or forming hidden agendas of your own.

Almost everyone in business asks the question at some point, "What's in this for me?" It is one of the primary motivators for workers. We've found that in the Pit Crew Challenge, ego alone can be an exceptional motivator – and that this is not always good. Any team facilitator or well-meaning company executive who creates teams in the workplace should beware of buying into the ideology that people will naturally sacrifice their personal agendas for the sake of a larger cause. People can and do band together to serve a cause, but they don't check their egos at the door. It doesn't matter whether they're a janitor or the CEO, a secretary or the head of accounting, an IT specialist or a human-resources czar, a corporate trainer or a retail clerk – they want to feel that they matter and that their work matters. If they don't feel valued, they will quickly become cynical and turn their egos toward subverting the team. Ego is necessary and it is what helps people put their foot on the floor first thing in the morning and say, "I can do this." However, it does need to be managed.

Why is ego a problem?

Let me start by saying that ego is not always a problem. There's nothing wrong with having a healthy ego. But problems crop up on teams because so many different human motivations get tied up in ego.

Ego is often tied to experience. As people increase their level of experience, their level of ego generally increases too. This is very tricky when it comes to coaching. In coaching, you want to increase people's sense of their experience and pride in their success. But you don't want their newly strengthened ego to swamp the whole show.

When the person who's giving coaching is perceived to have a big ego, their colleagues may not be as receptive to the coaching. When the person who's receiving coaching appears to have a big ego, or a "chip on their shoulder," the person giving the coaching may become frustrated or apathetic. In any good team process, we have to ask people to put their ego aside. Otherwise we won't even get to the starting point of recognizing that we can accomplish things together. A pit crew can't be concerned about ego. They have to get the tires changed quickly and safely. The only ego they should be worrying about is the driver's or customer's, because he isn't going to be happy if their slowness or mistakes knock him out of contention.

One hot August week in North Carolina, we worked with a group of second-year MBA students doing pit crew for their opening week of school. There were over four hundred students who were all eager to complete their final year and launch into the workforce for a promising career. Then they met me.

I could not wait to share with them some of the things that I see executives do in teams and organizations that are destructive to the organizations and ultimately their own careers. It didn't take me long to realize that these destructive behaviors are learned long before they become executives. Swollen egos were not lacking in the ranks of these students.

Most groups agree that before their first run with the car, their experience is low, if not zero. They also agree that because of this, their ego is also low, if not zero, with respect to working on a pit crew. This plays well into our experience, because it does create an even playing field, allowing us to work our magic. However, after the second run, we asked these MBA students about their level of experience, and they said they have more of it. We ask whether their higher level of experience has made their ego go up as well. Most executives reply to me that their ego does not go up at this point – that they are still learning and they recognize the need to keep it in check. Not so the MBA students. In every case they said that their egos did go up with experience. This is a problem.

I took the opportunity to share with these students what business dislikes most about MBA students (not necessarily graduates, but students). Businesses don't like how the MBA students' egos grow faster than their experience. This is a problem for organizations that want to coach new hires into their roles. Fortunately, as many MBA graduates will tell you, the first few months in a new company will deflate ego enough to have some of them, anyway, asking for coaching.

We have had a few instances where a couple of people have previously participated in a real pit crew or have hung around one during a race. You'd think that this would have made them an asset to their team in the PCC. Not so. Why? Ego. These people said, "I have experience with this. I know what I'm doing." As a result they were not willing to take coaching from the other team members who had less experience. They were not even willing to listen to the driver or his crew chief.

In the workplace, when someone comes in with too much ego because of their more extensive experience, they may not be willing to listen to new ideas and ultimately may become dysfunctional on the team. They do what they think is important. They have only ever done it their way and they're not about to change their processes.

That's the tremendous pitfall in organizations that put together "star teams" or "dream teams." While it may be exciting to contemplate that your team is made up of stars in their field, you also have to realize that the stars shine brightly when it comes to their egos. You're getting people who are convinced they know the best way of doing things. And when everyone on the team thinks they know the best way of doing things, mayhem results. Ask any coach of an athletic dream team what their biggest challenge is and "managing the stars' egos" will be the answer.

Sometimes people believe they have experience and expertise even when they don't. That sets up another ego trap. In one particular Pit Crew Challenge, a woman – we'll call her Joan – was the jack person on her team. Joan received all the necessary coaching in how to use the jack. We gave her exactly the same information and practice as everyone else on the teams. During this process, we found out very quickly that her ego was, shall we say, well inflated. She had all the answers to every scenario, regardless of anything I said. During the debriefs, she challenged every point I made.

However, when it came to jacking the car up, she didn't do it as well as the other jack people, despite the coaching she had received. The way she held the jack made it engage before she could get it under the car. That's because after only a few inches in the air, the jack platform will hit the side panel of the car and not go under it. To resolve this, you must lower the jack before trying to place under the car again. This costs a significant amount of time. Before the third run, we gave her one more opportunity to receive some more coaching from the experts so she could keep this from happening to her again.

The experts gave her some coaching, but when her turn came around, she continued to hold the jack the same way. Joan ended up costing her team about ten seconds. Ultimately her team missed their goal by three seconds.

She would not take the coaching. I had to give her full marks for consistency, but that wasn't the point of the exercise. When she finally realized that her attitude, and resulting behavior, was the reason for loss of time, she complained that she couldn't do this, that we had made it too hard, that she had been given the wrong job on the team, that the other team members were not helpful and were putting pressure on her. She blamed her situation on everyone and everything else in the environment. Her ego destroyed her performance. She certainly had the ability to do the job. But she didn't have the fortitude to take the coaching. Know anyone like this in your organization?

How can we think about ego differently?

The challenge is to find the balance between ego and experience. Certainly businesses will want to hire good talent. Talent is absolutely crucial for good achievements. Along with good talent often comes high ego, which is fine if they're the type of people who will be willing to put their ego aside for the sake of the team and realize that they still have an opportunity to learn. These are the Wayne Gretzkys and Michael Jordans of the world.

There also has to be a balance between ego and pride. When ego gets in the way of learning, as it did with Joan, the result is frustration, not only for her but for the whole team.

Organizations need to focus on the fact that attitude is more important than ego. Often it's better to have someone with less experience but greater willingness to learn and improve than a star who knows it all, or an insecure person who pretends to know it all.

What happens when an organization takes on an individual with a high degree of capability and talent who also has a high ego and an unwillingness to learn? Such individuals will become resistant to change and will hold the team or company back. High talent/high ego may result in short-term gain and long-term pain.

Fortunately, there are people with high talent who know when to put their ego aside. There are high-talent people who recognize that they're not perfect and who are always willing to learn more. These talented people, as opposed to the talented prima donnas, are the kinds of people you want on a team. Dynamic organizations have a healthy combination of less experienced people with a desire to learn and some highly experienced talented people always willing to learn more.

I'm not talking about teams where everyone just follows along like sheep and where people are afraid to speak up because "you're not supposed to have any ego." I'm not talking about the removal of ego. I am talking about the integration of ego into the team's goals. You need ego to help you speak up and contribute. You need ego to have the courage to confront and deal with things that are not working. You need ego to help you strategize.

One of the questions the teams ask themselves during the debriefs is, "Did ego get in the way of our getting better?" If something went wrong and it wasn't because of ego, chances are it is relatively easy to fix. It may mean standing back an inch farther with the flag or having the tire well in hand to roll up to the car as soon as it stops. But if the barrier to performance is ego, as it was with Joan, you've got two things to fix: your mechanical problem (process) and your people problem.

I've found that the best executives are the ones who know when to put ego aside. This generally occurs when they know they don't have the answers themselves and look to their people to provide the answers.

This past year we worked with a group of executives in the natural-resources industry, which is seeing such a tremendous amount of growth in Canada. These executives have had to learn a whole new way to do business. At the same time they are highly motivated to grow a sustainable organization. Their willingness to learn and accept coaching was impressive and each successive run saw huge improvements over the previous one – and their first one was good to begin with.

They did so well in that first run that we reorganized the teams partway through to see what impact this might have on them. They not only saw this as an opportunity to coach, but also that to foster a high coaching culture they would have to put aside any ego over their earlier success. The result was that they actually improved their previous time even though they had been reorganized. I'm pleased to say that this is typical whenever executives who are highly motivated and eager to share and learn are willing to move ego aside. They continually improve.

Unfortunately, the popular media still encourage the idea that business requires egotism. TV shows such as *The Apprentice* may be good for entertainment ratings, but they are toxic for business practice. On that program you have people ostensibly functioning as teams, but their whole agenda is to knock each other out of the game so that only one of them wins. In my opinion, the participants on this program demonstrate far more ego than skill, and this always interferes their ability to manage complexity in their teams.

The challenge is not to get rid of ego but to put it at the service of what's really important.

Challenge #9

Getting workers to function effectively in a flat-team model

When teams first get together in the Pit Crew Challenge, they are directed to decide who's going to do what: who'll be the jack person, who'll hold the flag, who'll be the gunner, and so on.

They also need a crew chief, someone who will help facilitate the discussion regarding how they will perform this task. Groups tend to immediately give this person leadership responsibilities – they create a hierarchy with this person at the top. At no time do I say that the crew chief is the leader, just that they will lead the discussion.

After their initial run, I introduce them to the idea of shared leadership and predict that their perception of leadership will change as the context changes throughout the experience. In any hierarchy, it is very clear who the leader is on the team. I tell them that in flat teams, the leader changes at different times throughout execution. Everyone has the potential to take a leadership role at some point. This also demonstrates that while someone is taking a leadership role, others are taking a support role. Ultimately, there is no one actually in charge during execution. Everyone is in charge. A pit crew does not function as well when working in a hierarchical model. What you need, I say, is a model of total interdependence. You are a flat team, not a vertical team.

While many companies give lip service to flat teams – where the model is aiming at collaborative learning and interdependence, sometimes with rotating leadership – the fact is that the old paradigm of someone always being in charge is still hardwired into the corporate psyche.

People will quickly revert to that model when they're in an unfamiliar situation. The failure of many empowerment models rests here.

When the pit crew teams become more comfortable coaching each other, their concerns over who the leader is decrease considerably. They begin operating as a whole, with each member's participation as important as everyone else's. It's a difficult shift, however. The teams will continue to struggle somewhat with the fact that no one within their team is the person telling them what to do. They still want someone to be in charge, someone to be responsible for the final outcome. They are at first uncomfortable with the context that they are all equally accountable for the outcome.

Why is the desire for hierarchy a problem?

Thomas Friedman's book *The World Is Flat* is a wake-up call for the business world. Friedman talks about the flattening of the world, prompted by the technology of instantaneous communication. He writes about globalization and off-shoring: about how jobs are leaving North America for Asia and parts of Europe. The flattening of the world is a result of the fact that people now have access to things they couldn't have even dreamed of having before. This has created an environment of far more choice, personally, organizationally, and geographically. If people and organizations can't get what they want from one place, they'll go elsewhere. If the people who are going elsewhere are your customers, you're going to lose out as a company.

This flattening means you have to make decisions both faster and more effectively. Hierarchical structures are disappearing within many markets and more and more businesses are finally seeing their need to adapt to more of a flat model.

This is not to suggest that we need to eliminate the hierarchical structure, but that we need to recognize when a hierarchy is keeping us from high performance, and when a flat structure will empower performance and provide better results to our customer.

In the past couple of decades, we have seen landmark historical events such as the fall of the Berlin Wall and the Iron Curtain. Friedman says that capitalism is also flattening the world through the entry of countries like India and China as major players in the global market. And it has become easier for entrepreneurial businesses, large or small, to access opportunities and new customers all over the world.

This can be a scary prospect for people in companies organized on a hierarchical and bureaucratic model. If people only ever understand how to take orders and deliver goods because that's what they've been told to do, they're going to miss many opportunities out there in the new instant-communication marketplace. In any event, today's employees are themselves putting pressure on their companies to change. They resent needless bureaucratic rules and won't participate fully if they feel they're not equal members of the team.

This pressure is being applied even more as a greater number of Generation Ys are entering the workforce. Their world is flatter than at any time in history. Their ability to quickly access information and their understanding of technology makes them extremely desirable workers, yet they clash with hierarchies. Interestingly, not only are they your new workers, they are your new customers. If you've created a company with silos and hierarchies that make it difficult to buy from you, they will find someone else who will make it easy. Adapt to this changing environment or prepare to be flattened yourself.

Many workers in organizations don't have the visceral experience of interdependence from which a natural structure can emerge for getting the job done. This is where the PCC experience is helpful, because it is visceral. The demands of the job quite naturally create a flat structure.

How can we think differently about becoming flat in our structures?

When I challenge PCC team members about some of the ways they've done things in the past, I get a lot of push-back. I get comments like, "Why should I do things differently if what I've done has worked well enough? Why shouldn't we just have a leader and he or she can direct things and we'll get it done?"

I make it clear that I'm not suggesting that they completely overturn everything they've ever done in their companies. I tell them that I'm just saying there may be some different ways to do things. Perhaps the way they're doing it is not the most efficient way, or not garnering them the most profit. If their mentality is "we've always done it this way and it's gotten us where we want to go," then that's as far as they're going to get. If you want to move to the next level, you have to drop off some old behaviors that may have been successful in the past and then adopt some newer ones.

It's no different when I'm in front of the many people I talk to in business organizations, whether they are large or small or even part of the Fortune 500. They often say they want to "go to the next level." I suggest they start by examining their organizational structures to see if these are really helping them. Despite all the lip service paid to the idea that "change is exciting and forward-thinking," the fact of the matter is that many people and many organizations are uncomfortable with it. They are afraid of what they don't know, and a flat structure creates a level of uncertainty in them. A hierarchy is a known element they do understand, so there is a great deal of resistance to change from it.

The key to change and progress in the future is the flattening of teams.

This does create one very challenging problem, however. Hierarchies generally exist to make decisions. The higher up the ladder, the more power to make decisions. This is why those at the top get the big rewards, because making decisions is not always easy. How does a flat team make decisions if there is no defined leader?

I find that teams struggle with this tremendously. Their natural tendency is to move to consensus or democracy. But that process of making decisions is slow and flawed at best. Consensus does not take into account experience. Everyone gets an equal vote regardless of their context, experience, or accomplishments. Hidden agendas creep in, biases rule, and poor decisions become the norm.

In order to function effectively on a flat team, everyone must know the objectives, but most importantly the values, that are driving the team and the organization. Decisions must be made from values, and this is a common mistake that ninety-nine percent of pit crew teams make when trying to function in flat teams.

Obviously, people need to avoid the pitfall of flat teams: the fact that they can become a mere conglomeration of opinions. This tendency is usually resolved by the time pressure of the pit crew experience and its physical demands. Interdependent discussions take place quickly and efficiently because the goal is clear and the values are equally clear.

Challenge #10

Breaking down silos to encourage communication across teams

The use of the word "silo" in business is based on the analogy of grain silos. A silo is something that prevents "good" things from getting out and keeps "bad" things from getting in. This is great if you're a farmer keeping your grain in good shape for market time. But it's not good for businesses involved in serving customers and clients in many different contexts. Yet so many business environments are indeed siloed internally, with various departments operating almost independently of each other.

Businesses with silos do not communicate well. It's not uncommon to hear people say, "Our department has no idea what other departments are doing around here. We just do our own jobs." Such companies are at a competitive disadvantage in a world where the flattening of the marketplace is happening at a dizzying rate.

I worked with a company once that told me it took them over five years to get through all the bureaucratic red tape and culture differences in order to open a plant in China. After having been there for a few years, things did get easier. A separate, siloed division in the same company decided to open a plant there as well. How long did it take them? Even longer. They failed to ask what their sister division learned through their initial process. Had they crossed the silo threshold in this way, they would have saved a lot of time and money.

In the PCC, we do succeed in getting the teams to flatten and even to enjoy working in this more interdependent way. But we also see their tendency to silo. Even though they've been told from the get-go not to compete with the other teams, they still see their own teams as separate from the others. We eventually get them over this barrier, once we've helped them change their context about the activity. But this takes hard work.

What is the problem with silos?

What is in the silos of an organization? The information the company needs to function well: the processes, the ideas, the innovations. The problem is that most of this information is carefully stored up and seldom shared. People will defend silos to me for all sorts of reasons, but at the end of the day, everyone agrees they aren't healthy for organizations.

Silos can be departments within companies, such as the finance department, the human resources department, the IT department, and so on. Silos can also be geographical, from one region of a company to another. Management can be siloed – higher tiers against lower tiers. When I ask most companies if there are silos in their organization, they unanimously answer yes. My next question is usually, "Where are they?" And the almost universal answer is, "They're everywhere."

A silo is generally reinforced by measurements, in particular by rewards given to people for how well they perform within their silos rather than across the organization. Let's say I'm a company employee who gets a phone call from someone in another department. That person has some questions about how I resolved something in my department that's also been affecting their department. So I spend half an hour talking about what I did and clarifying things.

Two hours later, my boss calls me and says, "Where's the report I've been waiting for?"

"It's not ready yet," I say. "I was on the phone earlier helping another department with something."

"Well," the boss replies, "you should be working in your own department, not theirs. Do your work, not theirs."

What have I just learned? That the measurement of success in my job is doing my own department's work – and not getting yelled at. So in future when people from other departments come to me for information, I'm not going to share unless I feel it is going to benefit me in some way: keep me safe, protect my job, make me look good.

There is a lot of competition in organizations over rewards and recognition. For example, two different departments may be competitive about their finances. My department may have a $3-million budget and another department a $2.5-million budget. I may feel that to keep my budget, I should spend all of it whether or not there is any real need for the expenditures. Otherwise part of my budget may be given to the department with the lower budget.

Employees of such organizations learn to focus on making it easier for themselves to just survive in their jobs, and justify their jobs, instead of focusing on providing value to their customers right now.

When departments in organizations see their role as protecting their turf, whether that turf is money, status, or bureaucratic protocol, at best they're going to end up with a lot of waste and duplication. At worst they may end up with tragedy.

A perfect example of the latter is what happened in the aftermath of Hurricane Katrina in New Orleans. The lack of communication within the Federal Emergency Management Agency (FEMA) and between it and other crisis-relief organizations drastically hindered rescue efforts. The result was the loss of hundreds of lives and the irreversible destruction of homes and land.

I try to show PCC participants that it doesn't matter whose responsibility it is. What matters is that it needs to get done. When you're clear on the task and urgent about completing it, there's no time to bicker over whether one department's role is more important than another's. In the PCC, the race-car driver doesn't give a damn who's doing what. He just wants the tires changed so he can get on with the race. At the end of the day, your customers doesn't really care who in your company does the work, they just want their problem solved. And if it does seem like they care who does the work, it's only because they can trust that that person will get the job done.

How can we think differently about silos?

Holding a goal in common helps break silos down. But that's not enough. Silos will prevail unless people trust that there really is a common goal and that everyone really is agreed on what it is.

One of the most effective ways to make people aware of the company's common goal is to create teams with members from many different departments. Some of the processes needed to make this happen successfully have been covered in previous chapters of this book.

However, it's not enough to merely create cross-departmental teams. Those teams can themselves become silos unless they relate to other teams in the organization. The PCC illustrates how difficult it is to do this. Despite being told that they are not competing across teams, participants inevitably focus on their own times. They are thrilled when they improve their own metric. The ones who improve the most and do the best tend not to share their best practices because those are now their competitive advantage. This only serves to build silos. But why do they not share? To protect their own "turf" as the team that has improved the most – in order to win! Again, I say, "Win what?"

At that point we have to do something to change the metrics and remove ambiguity about the reward. As mentioned at the beginning of this book, I keep the reward ambiguous all along. In fact, I don't even give them one. I just say that they will benchmark their time and improve it. As a result, team members fill it in for themselves based on their context for the activity or how they typically work in teams. When groups finally answer the "win what" question, they realize the only thing they are trying to win is bragging rights. That's ego, isn't it? Didn't we say we needed to keep that in check or we won't coach well?

Imagine that: the foundation of silos in organizations is made up of people's egos.

Groups in the PCC realize that rewards and metrics need to change in order for the culture to change. We agree that a clear metric would be a combined time for all teams. That we will not continue measuring them individually. Everyone can see that this will go a long way to breaking down silos. However, we need to make sure that the reward is clear as well, and that everyone buys into it.

Finally I reveal to them that the reward is getting the "pit crew contract." In other words, winning the customer. That is the real "win what" in business.

There still needs to be a competitive element; it just needs to be focused correctly. We have to remove competition from inside the organization and train it on where it should be: outside the organization. By winning the "pit crew contract," teams metaphorically beat out any other organizations for the business. People get this, and are willing to go for it. Additionally, we share that very few pit crews do *not* get the contract – which definitely serves to add fuel to their need for competition.

This changes things. Now the current group of teams does not want to be lumped in with any teams that lost. They want to be part of the winners' circle – there's no way they're going to lose face. This helps them see that they have to focus on what the other teams are doing.

And so the teams begin to cross-coach each other between runs. Egos get pushed aside and everyone becomes open to sharing.

Then the teams go back onto the track to do the pit crew contract run. In other words, this one's their last chance – it's do or die. Now the teams are really focused on each other. Internal competition dissolves as they call out encouragement to each other, cheering, making suggestions, coaching. They have become cohesive as one organization. Each team has become totally engaged in achieving the common goal: getting the pit crew contract for themselves as an organization.

In this situation, silos have disappeared. All the energy flows toward getting that contract. And it didn't take much to get the culture to change – just clarity and the removal of ambiguity. At the end of the experience, I hear comments like: "It sure felt good to be working all together like that. It was great to get really focused. It made me feel connected to a larger goal. I felt more a part of things. It was a great place to work!"

This is what companies need to experience: getting teams to the point where they break down their silos and get excited about communicating with all the rest of the teams across the organization.

Today's customers have no patience with silos. Customers and clients get very annoyed when they're shunted from department to department.

Ever had this experience? You call your cable company about your TV service. Maybe you want to add some further bundles to your cable package. So you talk to the product people. This means that your bill will change. You want to know by how much, but the product people say, “Oh, we don’t have that information. I’ll put you through to the billing department.” Then the billing department wants to know what services you talked about with the product people, and they end up putting you on hold while they go find out. Then maybe you accidentally get cut off. You phone back and try to get back in touch with the person you were talking to, but the phone receptionist says, “We don’t have any way of knowing who you were talking to.” So you get put through to the billing department again or the product department and you end up talking to new people, to whom you have to explain things all over again. And on it goes.

Contrast this with a company that, because of excellent teamwork and cross-communication, offers you service through a one-stop phone call without interruptions. Which company do you think is going to draw customers to itself?

The bottom line is: If you want to win – and if winning is winning the customer – you cannot afford to be internally siloed. It doesn’t matter if your organization is in the government, non-profit, or private sector – siloing won’t work anymore. In the flat world out there, if people don’t get what they want from you, they’ll get it somewhere else, and it may even be halfway around the world.

Challenge #11

Focusing on the customer while remaining engaged in tasks

Obviously organizations want their team members to be fully engaged in their purpose and tasks. By meeting the challenges discussed in this book – context, managing complexity, trust/risk, and so forth – they're going to be able to show this level of engagement.

In the Pit Crew Challenge, teams get an excellent object lesson in this kind of teamwork. Participants see the experience as fun, enjoyable, and challenging. They like the physicality of it. There is therefore a high degree of connectedness and enthusiasm for the task.

Translating this to the workplace may be a challenge for some organizations. Employees in these organizations may view working on a team as something added to their individual workloads. Or if the tasks are more abstract, such as putting together a planning process for a new program or product, they may find themselves, individually and as teams, getting bogged down in procedures and policies.

In order for a task to be engaging, it has to first engage people's interest. As the PCC shows, through what I call the structured playfulness of the experience, people will become involved in something if they think they will enjoy it. In choosing teams, therefore, leaders should take account not only of people's abilities but also of their interest in the task at hand. Many organizations have some leeway regarding who is on what team. It doesn't have to be the first warm bodies who show up. It can be people who would find the particular initiative interesting enough to risk venturing into unfamiliar territory and creating a new initiative, and who welcome the opportunity to do so with people they may not have worked with before.

There is, however, another side to this kind of engagement. All the motivation in the world isn't going to help people "win" unless they know what, or who, they're so intent on winning.

The challenge arises when a team is so engaged in its task that it forgets about or overlooks the "win what" question.

And the answer to that critical question is always the customer.

Why do organizations lose sight of the customer?

Many businesses today pride themselves on their customer service while internally being barely cognizant of the customer. A company may develop and roll out what it thinks is a brilliant idea for a new product without asking their customers whether they even want or need it. Or a company may tweak an existing product based on a perception that it would be innovative to do so or will give them an edge against their competitors, again without knowing whether their customers find value in it or not.

A well-known European multinational company has in its ranks arguably some of the best engineers in the world. One division in this company spent years developing an office phone, engineering it to do an incredible number of things – it practically had the conversation for you. However, while the company spent millions of dollars developing this product, few people could figure out how to work it effectively or take advantage of its features. What's more, the customers didn't even want most of the features it offered. The problem was that the engineers were focused too much on engineering tasks and not enough on the needs and wants of the customer. In fact, they lost sight of their objective and careened out of control. They eventually pulled the phone from production, losing millions.

Even very extensive market research and feasibility studies do not always help companies truly understand their particular customers. Surveys, pilot studies, focus groups, and other tools of measuring customer needs and desires do of course point to certain trends. However, a company also has to look closely at its own customer base to discern whether their customers are typical of the trends or not, or whether some further finessing of the product or service is necessary. Sometimes companies that do have a good understanding of their customers lose sight of them in the heat of putting together new processes designed to serve those customers in bigger and better ways.

But an interesting thing happens in the PCC once the teams have finally absorbed the fact that they will be measured for improvement on their collective times. I ask them to make a decision among themselves regarding the ideal time they should aspire to.

They go into a huddle.

"Ten minutes for the collective time," one person shouts.

"No," says someone else, "eight minutes because we got close to ten the last run."

Another chimes in with, "That's not enough time for each team, so I'm going to say nine minutes."

"Heck, people, let's go for it," says yet another person. "Let's do it in under eight minutes. Let's really challenge ourselves!"

And so it goes, around and around, until finally they come back to me with their consensus.

Let's say they have chosen eight minutes. I ask them, “How did you arrive at that time calculation?”

“Well, we all discussed it and that’s what seems most reasonable to us.”

“Why is it reasonable?”

“Because it’s based on the rate at which we’ve already improved and an educated guess for how to shave seconds off that, without being unrealistic.”

”How do you know that time is realistic?”

“We don’t know for sure, but after several runs we think we have an idea of what a good time will be.”

Then they start asking me about teams on other days, what times they chose, how well they did, and so forth. They say that knowing this information will help them determine whether they’re in the ballpark or not. But this is actually not a good comparison, because there are too many variables involved.

But this does give me the perfect “in” to ask them the really burning question: “Is there some more accurate way you could find out what time would be the best collective time to aspire to?”

At first I get blank looks, and then someone eventually says, “We don’t think it can be absolutely accurate, but we’ve done a pretty good job of making an educated guess.”

Let me ask you, does this happen in meetings you attend? Is this how decisions are made in meeting rooms around the country? I sure hope not.

Throughout this book we have talked about how often experience isn’t taken into account when making decisions democratically and attempting to reach consensus. It leads to groupthink. This is essentially what teams in the PCC do at this point. Few argue against the idea. They feel they have enough information to make the decision, so they decide what they’re going to do. Groupthink.

How can you avoid this scenario? How can you make such a decision properly? You can never go wrong if you look at values.

I ask the group, “Did anyone consider our values before making this decision?”

This is always greeted with blank stares.

“What value should we consider before making this decision?”

Long pause. “Safety?” someone suggests from the back of the room.

“Safety is important, of course, but there is another value we need to look at first in order to make this decision.”

“Speed,” someone shouts in anticipation.

“No, you don’t have it yet,” I respond.

Finally I help them out. “What about ‘customer focus’?” I say. “Did anyone think to ask the customer?”

Chins drop and eyes close in a silent realization that they missed the one thing that I’ve been harping on all day. But in this moment, the light bulb goes on. They had to live this experience for it to become a part of them, but they finally get it.

“Someone ask the customer,” I suggest.

“Driver, what do you want?” a participant asks.

“I want to win the race,” he replies.

“What do you need from us so you can win the race?” another asks.

At this point the driver shares a time and the group concedes.

“Do you think you can do that?” I ask.

“Yes!” everyone answers.

Here’s the interesting thing: There is no room for argument within or between teams because the answer is based on values – specifically what the customer wants.

I want to continue this learning a bit further, however. I want them to understand what they just went through.

"Do you see what's happened here?" I ask. "You spent all that time discussing what your best times should be and you didn't ask your customer what he really needed from you."

All this is to illustrate to the teams that the customer's needs may not be what they think they are.

It doesn't take long for them to realize that they often make decisions based on assumptions of what they think the customer wants, when all they had to do was actually ask the customer. In these cases they were so engaged in flexing their team-oriented muscles that they overlooked the most important piece of all.

How can we balance customers and tasks?

Armed with their new times, as now defined by their customer, the PCC teams set out to perform the final run. Now all their energies are focused on the task along with the clear objective. They are really engaged and motivated. They cross-coach each other and cheer each other on. No way are these groups going to join the "losers" who didn't get the pit crew contract!

Imagine if the teams had asked the driver at the beginning of that discussion the time they should be striving for. Think of the time they would have saved. Asking him what he needed would have taken fifteen seconds instead of the fifteen minutes they spent spinning their wheels. Companies hold so many meetings trying to make decisions that they waste valuable time. If they would only start with values, they'd solve a lot of problems before they even began.

It's good news for a company when its internal teams are motivated and engaged in their goals. A lot of energy is produced when you pique people's interest and get them moving forward together. However, as the PCC illustrates, it's always important to seek direct input from the customer. Businesses need mechanisms whereby teams can readily access information about what customers want. They need to continually ask, "Why are we doing this? For whom are we doing this?" And the answer always has to go way beyond "we're doing it for the boss" or "we're doing it because we've been told we have to" or "we're doing it because we think we've come up with some really good stuff here." The answer always has to be, "We're doing it for our customers."

Even if a team has no contact with the company's external customers – for example, one working on an internal IT initiative – its members need to keep in mind that their work ultimately has an effect on the company both internally and externally. Teams feel a greater sense of purpose and motivation when they're working together to make a difference in the lives of customers, giving them what they want. When everything is directed outward to the customer, silos, job status, self-protection – all these things fade away and teams can truly work together and win.

Win what? The customer – always the customer.

About the Author

Bob Parker is President of Robert A. Parker & Associates Inc., a training consulting company based in London, Ontario, Canada. As a keynoter and facilitator for nearly 20 years, Bob has worked with various types of organizations both large and small, helping them understand the dynamics of how people are motivated and interact with each other.

Bob is a member of Duke Corporate Education's Global Learning Resource Network, where he collaborates on custom learning initiatives for world-class organizations using the Pit Crew Challenge. He has also worked with the Executive Programs at the University of Toronto's Rotman School of Business.

To find out more about the Pit Crew Challenge and Bob Parker go to: www.pitcrew.ca